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CHICAGO LAND

VOICE

OF BUSINESS

Published since 1904 by the Chicago Association of Commerce and Industry

ANOTHER COMMERCE FIRST

What IS the Potential for the Port of Chicago

Page 17

THE BOOM IN ROOMS

Page 22

FORMULA FOR SUCCESS:

Copy and Adapt

Page 24

FEDERALISM:

A CHALLENGE FOR BUSINESSMEN

Page 15

55th Annual Meeting February 11

- Secretary of Commerce LOUIS L. STRAUSS
- Introduction of New Officers and Directors of the Association

Page 43

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BUSINESS REVIEW ISSUE
of Commerce Magazine**

This issue contains the most complete, most accurate statistical review of business published anywhere in the entire Chicagoland industrial area. Its illustrative charts, facts, and figures will be referred to time and again in the coming months by industrial, corporate, and management executives who comprise COMMERCE'S quality readership.

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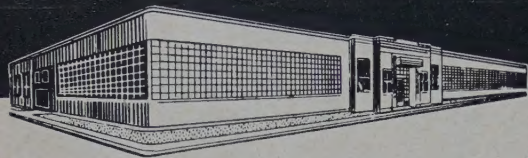


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When earnings and prospects are good
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Commerce

CHICAGOLAND
VOICE
OF BUSINESS

Volume 55 • Number 12 • January, 1959

In This Issue

With this issue, COMMERCE is changing its publishing date. Henceforth we will be-

come a mid-monthly magazine. The change should enable us to do a more effective job on statistical material and to give more timely coverage on a number of the projects of the Chicago Association of Commerce and Industry.

For the past two years the Business, Research and Statistics Division of the Chicago Association of Commerce and Industry has been engaged in making a survey of the companies in the Tributary Area of the Port of Chicago engaged in exporting. It is the first time such a study has been attempted. Its purpose was to measure total export tonnage originating in Chicago's Tributary Area and to estimate the tons of traffic which will pass through the Port of Chicago after the enlarged St. Lawrence Seaway is opened.

What is the Chicago Tributary Area? How big will the Port of Chicago become upon the completion of the St. Lawrence Seaway? How much business can the Port of Chicago expect to generate? The answers to these questions and a wealth of other important data resulting from the two years of research are reported in the article by DeVer Sholes starting on page 17.

Two unpleasant looking characters named standardization and regimentation are lurking in the wings of the national theater, all ready to take over the tradition role of our federal-state relationship warns William A. McDonnell in his article which begins on page 15. Here's a thought- (and we hope action-) provoking message that should be of primary interest to executives everywhere.

Contents

Federalism: A Challenge For Businessmen.....	By William A. McDonnell	15
What Is Potential For Port of Chicago?.....	By DeVer Sholes	17
Business Highlights In Pictures.....		20
A Boom In Rooms For Chicagoland's Hotels and Motels.....	By June Blythe	22
Formula For Success: Copy and Adapt.....	By Bernard B. Berger	24

Regular Features

Eye on Chicagoland.....	5
How's Business?	7
The Editor's Page	11
Here, There and Everywhere	12
Industrial Developments in the Chicago Area.....	33
Transportation and Traffic.....	35
Association News	40
Stop Me — If.....	48

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Growing with the new Chicago

Progress Report

No 3:

We've "topped out" at 23 stories as
the curtain wall rises below.

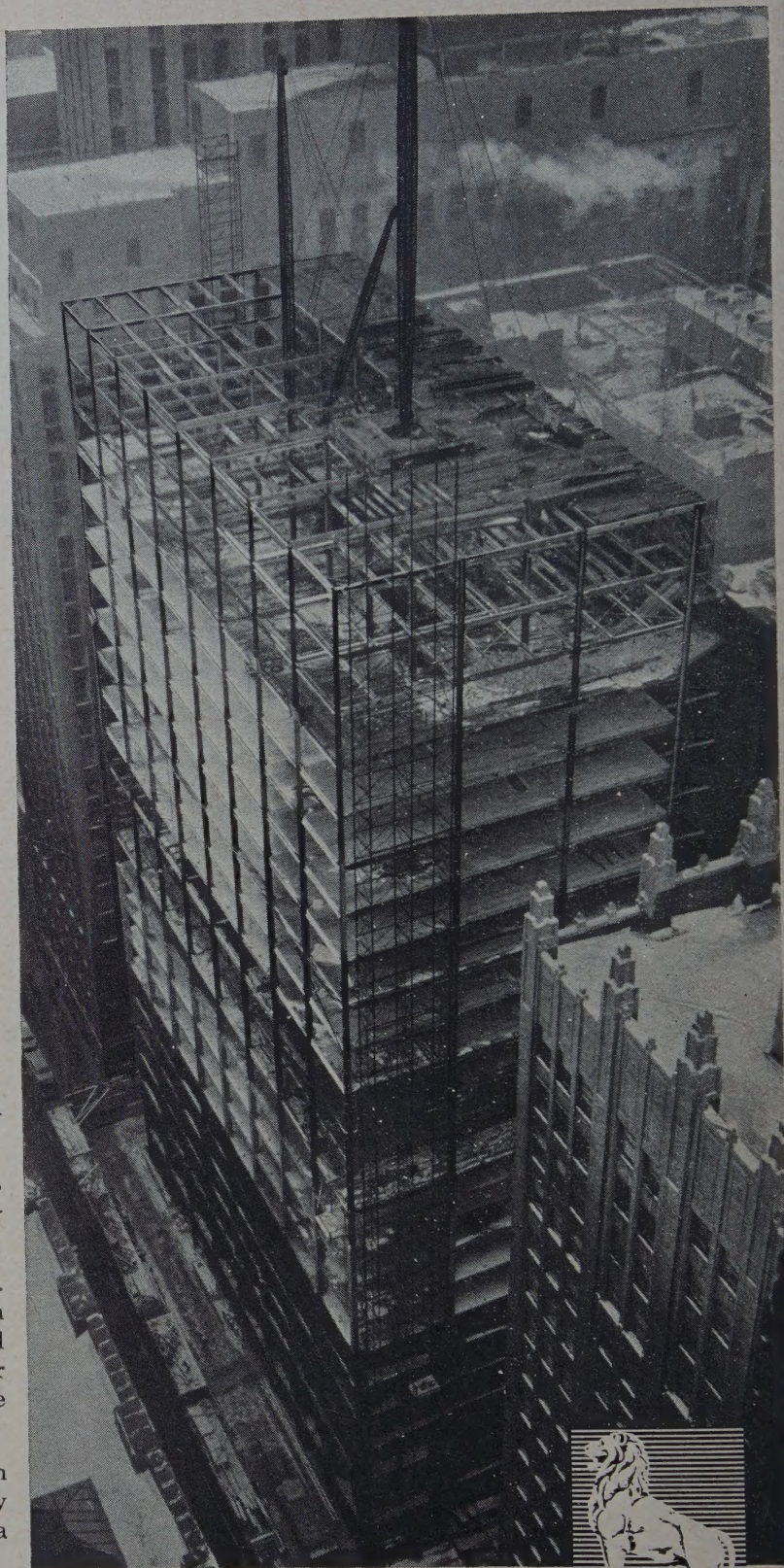
- The steel on our new Harris addition stands a full 23 stories tall.
- Excavation is underway on a magnificent new lake front exhibition and convention hall.
- State Street glows again as the brightest lighted street in the world.
- O'Hare Field is ready and waiting for jets.
- The Chicago Art Institute is settling down in its new air-conditioned wing.

In every field—business, industry, service, culture—a new framework of growth is emerging. A new Chicago is taking shape.

Our own new building fits that pattern. When it's completed in 1960 it will more than double the size of our present building and offer quarters in the heart of the city for our own expanding business as well as new space for other firms.*

For over 77 years the Harris has grown with Chicago. Right now we're busy making way for the unlimited future that's becoming a reality in the new Chicago.

**Space now renting. Write our Building Services Department, or telephone STate 2-8200 for details.*



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115 WEST MONROE STREET—CHICAGO 90
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Thomas H. Coulter



Dear Member:

Paul W. Goodrich...President of the Chicago Title and Trust Company...has been nominated for the presidency of the Association...one of the highest honors to be accorded in the Chicago community. Mr. Goodrich has an outstanding record of service...as an Officer and Director of the Association for the past four years...and as a leader in numerous other civic fields. He will provide excellent leadership.

Other nominees for Officers and Board Members can be found on Page 40 of this issue...and since nomination traditionally means election...these are the men who will guide the Association in the months ahead. They are all outstanding in their respective fields of endeavor...and bring impressive knowledge and ability to their offices.

President Joseph L. Block will bring to a close a most illustrious two-year term as head of the Association on February 11th...presiding at the Annual Meeting...and introducing Secretary of Commerce Lewis L. Strauss...who will make his first major address since his appointment to the Cabinet. All members are urged to attend...because of the significance of the program...and to meet the new Officers and Board Members. It's a luncheon meeting...Grand Ballroom...Palmer House...February 11th. You might also mark on your calendar...two other important meetings in February...the Association's 22nd World Trade Conference on the 26th and 27th...and the United States Chamber's Aircade on the 26th. The conference is most timely since Chicago's position in World Trade markets is now being greatly enhanced...and the U. S. Chamber discussions on participation in politics by businessmen is of importance to all of us.

The year just beginning looks most promising...since employment and production are up...Chicago Area retail stores set an all-time Christmas shopping record...and new plant investments in the Area in December were nearly exactly double those in December of 1957.

Also gratifying is the worldwide acceptance of the Association's Chicago International Trade Fair...which is now assured success with almost 80 per cent of the exhibit space sold. Attendance of 750,000 is anticipated...to see more than 35 foreign government pavilions ranging in size up to 10,000 square feet...to view over 5,000 imported products...to admire foreign car exhibits which will include new import models never before shown in this country...to thrill to top international entertainment presented on a huge stage built in Lake Michigan...and to relax at four Mediterranean garden restaurants.

The Fair will be staged on Navy Pier July 3rd through July 18th...and that is another event you should mark on your calendar!

Sincerely,

Thomas H. Coulter

Chief Executive Officer, The Chicago Association of Commerce and Industry



Rendering of New Plant now under construction for White Castle Systems, Inc.

Twelve New Plants Now Located in Clearing's 73rd Street District

73rd Street and Cicero Avenue

A NEW MODERN DISTRICT FOR MODERN PLANTS

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Clearing Industrial District, Inc., has four modern industrial districts in the Chicago area. The company offers the services of a complete engineering and construction department, architect and financing on either a long term lease or purchase contract; in short, every detail toward a completed project.

For further details address inquiries to "Clearing Industrial District, Inc., 38 South Dearborn Street, Chicago," or call RAndolph 6-0135.

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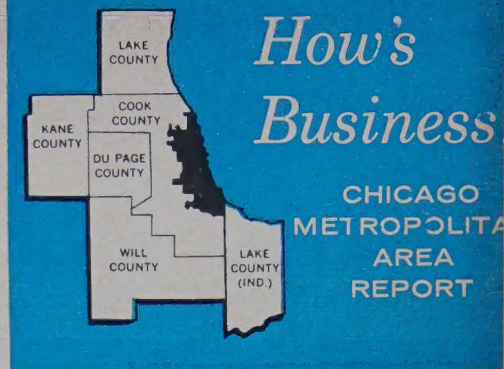
THE direction of business activity in November for the Chicago Metropolitan Area continued a steady upward movement. Industrial production rose for the seventh successive month from a low point in April of 105.2 to a November figure of 126.0, an increase of 20 per cent. November steel production topped all months this year except October. Production in November was 175,800 tons, 11.3 per cent, ahead of November 1957, but was 33,000 tons, 1.9 per cent behind October. Indus-

trial gas consumed moved upward in November while electric power production dipped slightly in the other direction.

November department store indexes for inventories and sales reflected an uptrend. Department stores began restocking their store-rooms in June and have been at it ever since. Sales in department stores in November were 5.2 per cent ahead of November 1957, on a seasonally adjusted basis. The Consumer Price Index edged up 0.1 per cent from October to November, mostly due to increases in transportation and apparel. The index stands at 1.4 per cent above the level of a year ago.

Total employment in November increased by 13,500 over October, or 0.5 per cent which included an increase in manufacturing employment of 7,100, and 6,500 in non-manufacturing. Unemployment totals did not decline in November, due partially to major strikes, and seasonal dips in some industries.

November permits for new homes amounted to 3,296, exceeding November of last year by 55.4 per cent.



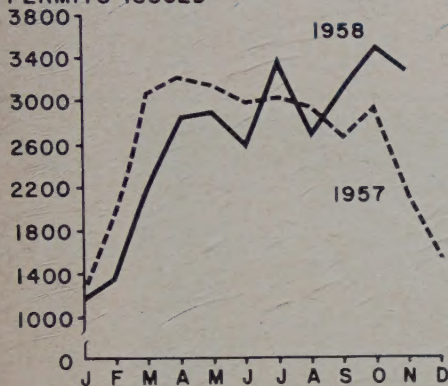
How's Business

CHICAGO METROPOLITAN AREA REPORT

Only October and July, respectively, exceeded November's number of permits this year. Apartment build-

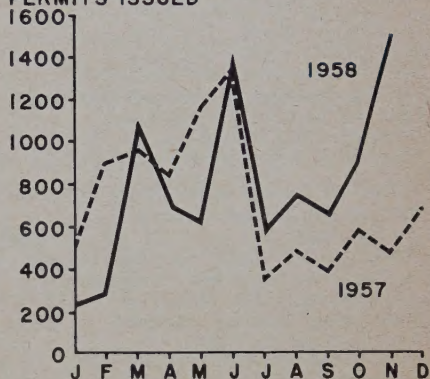
RESIDENTIAL CONSTRUCTION Single Family Units

PERMITS ISSUED



RESIDENTIAL CONSTRUCTION Apartment Units

PERMITS ISSUED



POPULATION AND GENERAL GROWTH TRENDS:

	Nov.	1958 Oct.	Sept.	Nov.	1957 Oct.	Yearly 1957	Yearly 1956
Population—Chicago (000) Estimated	3,778.7	3,776.8	3,774.8	3,756.2	3,754.3	(1/1) 3,734.6	(1/1) 3,711.0
—Metr. Area (000) Estimated	6,546.7	6,535.2	6,523.2	6,406.7	6,395.2	(1/1) 6,278.6	(1/1) 6,138.7
Recorded Births:							
—Chicago	7,817	8,317	8,558	8,007	8,468	T 98,260	92,835
—Metr. Area (5 Ill. Counties)	12,003	12,943	13,328	12,231	13,142	T 150,196	141,986
Recorded Deaths:							
—Chicago	3,217	3,178	2,903	3,758	3,741	T 40,433	38,427
—Metr. Area (5 Ill. Counties)	4,902	4,776	4,388	5,441	5,652	T 59,567	56,291
Marriage Licenses (Cook County)	3,410	3,452	3,798	3,375	3,307	T 42,787	44,424
Total Water Pumpage:							
—Chicago Water (000,000 Gal.)	28,256	31,502	32,932	28,610	31,688	T 373,050	377,539
No. Main Telephones in Service:							
—Business Telephones	310.6	310.2	308.9	304.8	304.4	Ye 305.1	297.3
—Residential Telephones	1,615.3	1,610.0	1,603.2	1,578.4	1,572.6	Ye 1,582.5	1,535.3

INDUSTRY:

Index of Ind. Production (1947-49=100)	126.0(p)	125.7	120.4	120.6	125.5	A 129.5	135.3
Steel Production (000 Tons)	1,719.8	1,752.8	1,516.9	1,544.0	1,710.0	T 20,733	20,726
Petroleum Refining (Jan. 1957=100)		91.8	90.4	96.0	87.6	A 93.5	N.A.
Industrial Gas Consumed—Chgo. (000 Therms)	14,876	14,657	13,286	14,729	15,479	T 186,224	186,447
Electric Power Prod. (000,000 K.W.H.)	1,754	1,787	1,696	1,695	1,745	T 20,196	19,327
Dressed Meat Und. Fed. Insp. (1953=100)	80.4	86.5	90.3	89.1	92.5	A 90.2	93.1

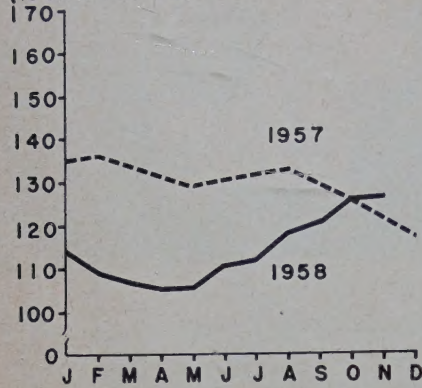
TRADE:

Dept. Store Indexes (1947=100)							
—Sales, Unadjusted	147	122	120	141	119	A 120	118
—Sales, Seas., Adjusted	121	119	119	115	116	A 120	118
—Inventories, Unadjusted	160	151	140	165	157	A 140	131
—Inventories, Seas., Adjusted	140	139	139	145	144	A 140	131
Retailer's Occupation Tax Collections (Municipal Tax Excluded) (000)							
—Chicago Metr. Area (5 Ill. Counties)		\$ 15,253	\$ 14,428	\$ 16,322	\$ 15,768	T \$191,938	\$183,393
—Chicago		\$ 9,535	\$ 9,015	\$ 10,677	\$ 10,053	T \$127,102	\$124,130
Consumer Price Index (1947-49=100)							
All Items—Chicago	127.4	127.3	127.4	125.6	124.7	A 123.3	119.5
New Passenger Car Sales—No. Cars	13,276	13,635	13,592	14,548	17,997	T 266,546	268,497

T=Annual Total. A=Average (usually monthly). Ye=Year End. p=Preliminary. N.A.=Not available. r=Revised.
*Total gainfully employed—Approx. 3,000,000 workers.

INDUSTRIAL PRODUCTION

(1947-1949=100)

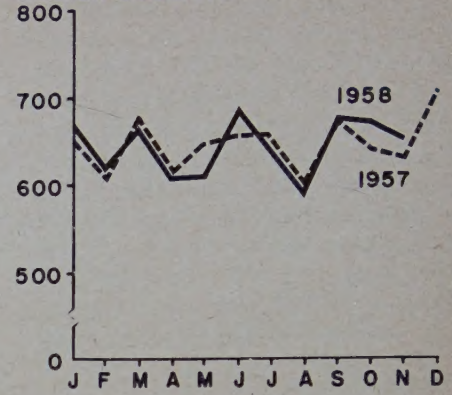


ing continued at a vigorous pace, with November permits surpassing any monthly figure over the past two years.

Check book spending in November, as reflected by bank debits, was \$26.3 million, or 4.2 per cent over the year ago level. This was the third successive increase in 1958 over year ago levels. Savings receipts in savings and loan associations and time deposits in commercial banks in November were also appreciably above year ago levels.

BANK DEBITS

MILLION DOLLARS



EMPLOYMENT AND PAYROLLS:

	1958			1957			Yearly	
	Nov.	Oct.	Sept.	Nov.	Oct.		1957	1956
Non-Agric. Wage and Salary Workers—								
Number (000)	2,504.3 (p)	2,490.7	2,486.0	2,626.4	2,635.8	A	2,626.6	2,623.0
—Manufacturing (000)	913.0 (p)	905.9	903.5	1,001.8	1,013.0	A	1,016.6	1,028.9
—Non-Manufacturing (000)	1,591.3 (p)	1,584.8	1,582.5	1,624.6	1,622.8	A	1,610.0	1,594.1
—Average Weekly Earnings	\$ 97.74 (p)	\$ 96.74	\$ 97.80	\$ 92.63	\$ 92.18	A	\$ 92.78	\$ 90.04
—Average Weekly Hours	40.1 (p)	39.9	4.3	39.8	39.5	A	40.3	41.0
Total Unemp. (Est. Mid Mo.) (000)	190	190	200	95	80	A	89	69
(Cook, DuPage Cos., Ill. and Lake, Ind.)								
Insured Unemployment Cook and								
DuPage Counties (000)	56.5	59.0	71.5	34.4	28.5	A	36.9	31.3
Families on Relief (Cook Co.)	28,144	27,476	26,024	22,396	21,627	A	22,622	23,386

CONSTRUCTION AND REAL ESTATE:

All Building Permits—Chicago	2,053	2,687	2,676	1,866	2,475	T	27,298	27,191
—Cost (000)	\$ 24,963	\$ 24,391	\$ 20,312	\$ 14,925	\$ 20,329	T	\$ 328,362	\$ 318,920
Dwelling Units Auth. by Bldg. Permits	4,807	4,426	3,789	2,593	3,553	T	39,578	48,632
—Single Family Units (Number)	3,296	3,519	3,144	2,120	2,966	T	30,884	39,919
—Apartment Units (Number)	1,511	907	645	473	587	T	8,694	8,713
Construction Contracts Awarded								
—All Contracts (000)	\$110,006	\$120,552	\$119,831	\$106,792	\$114,007		N.A.	N.A.
—Non-Residential Contracts (000)	\$ 32,912	\$ 31,906	\$ 31,198	\$ 43,938	\$ 46,277		N.A.	N.A.
—Commercial Contracts (000)	\$ 10,551	\$ 10,979	\$ 8,162	\$ 13,683	\$ 8,087		N.A.	N.A.
Index of Vacant Industrial Buildings								
(1954-55=100)	86.3	86.4	86.9	N.A.	N.A.		85.5	79.7
Industrial Plant Investment (000)	\$ 13,212	\$ 15,625	\$ 17,260	\$ 16,386	\$ 15,354	T	\$ 251,414	\$ 562,479
Construction Cost Index (1913=100)	631	631	631	623	624	A	614	595
Structures Demolished—City of Chicago	190	141	225	95	109	T	755	484
Real Estate Transfers—Cook County	6,085	7,665	5,443	6,135	7,451	T	80,900	98,404
—Stated Consideration (000)	\$ 4,147	\$ 5,240	\$ 3,501	\$ 4,253	\$ 4,772	T	\$ 65,208	\$ 74,402

FINANCE:

Fed. Res. Member Banks in Chicago								
—Demand Deposits (000,000)	\$ 4,359	\$ 4,311	\$ 4,374	\$ 4,288	\$ 4,287	Ye	\$ 4,459	\$ 4,480
—Time Deposits (000,000)	\$ 1,804	\$ 1,812	\$ 1,813	\$ 1,697	\$ 1,689	Ye	\$ 1,733	\$ 1,684
—Loans Outstanding (000,000)	\$ 3,664	\$ 3,709	\$ 3,748	\$ 4,125	\$ 4,238	Ye	\$ 4,153	\$ 4,055
—Comm. and Ind. Loans (000,000)	\$ 2,622	\$ 2,684	\$ 2,708	\$ 2,982	\$ 3,080	Ye	\$ 3,008	\$ 2,886
Bank Debits—Daily Average (000)	\$654,154	\$674,759	\$676,327	\$627,814	\$638,768	A	\$646,509	\$599,256
Chicago Bank Clearings (000,000)	\$ 4,687	\$ 5,415	\$ 5,074	\$ 4,625	\$ 5,177	T	\$ 59,054	\$ 57,473
Insured Sav. & Loan Assoc.—Cook Co.								
—Savings Receipts (000,000)	\$ 105.6	\$ 110.5	\$ 100.7	\$ 91.3	\$ 44.5	T	\$ 1,203.3	\$ 1,164.4
—Withdrawals (000,000)	\$ 56.5	\$ 70.0	\$ 75.3	\$ 55.4	\$ 34.3	T	\$ 894.0	\$ 814.4
—Mortgage Loans Orig. (000,000)	\$ 85.4	\$ 96.0	\$ 93.0	\$ 52.4	\$ 69.4	T	\$ 718.5	\$ 762.3
Business Failures—Chicago								
—No. of Failures	23	34	26	23	20	T	291	271
—Total Liabilities (000)	\$ 2,341	\$ 1,658	\$ 1,255	\$ 1,171	\$ 997	T	\$ 16,759	\$ 21,898
Midwest Stock Exch. Transactions:								
—No. of Shares Traded (000)	2,586	3,293	2,750	2,201	2,612	T	25,484	25,644
—Market Value (000)	\$103,904	\$122,051	\$101,930	\$ 65,319	\$ 78,518	T	\$864,752	\$964,219

TRANSPORTATION:

Car Loads of Rev. Freight Originated	98,316 (p)	114,102 (r)	106,468	N.A.	N.A.		N.A.	N.A.
Express Shipments: Rail	824,800	891,194	792,637	908,324	925,305	T	7,244,646	11,311,157
Air	69,722	83,937	76,262	66,508	77,752	T	605,718	918,769
Natural Gas Divd. by Pipe Line								
(000,000 Cu. Ft.)	25,755	25,119	24,885	24,143	24,695	T	295,322	292,346
Freight Originated by Common Carrier								
Inter-city Trucks—(Jan. 1958=100)	100.0 (p)	120.0 (r)	111.6	N.A.	N.A.		N.A.	N.A.
Air Passengers: Arrivals	388,845	475,868	466,848	380,593	457,860	T	5,148,119	4,677,748
Departures	401,757	484,304	479,777	398,236	465,468	T	5,311,915	4,895,887
Chicago Transit Authority Passengers:								
—Surface Division (000)	33,848	38,220	35,335	36,182	39,001	T	469,785	505,623
—Rapid Transit Division (000)	8,653	9,604	8,560	9,142	9,529	T	112,281	115,659
Air Mail Originated (000 Pounds)	1,448	2,910	1,457	1,444	1,580	T	20,098	17,876
Barge Line Freight Originated—Tons	296,697	391,050	386,810	N.A.	N.A.		N.A.	N.A.

T=Annual Total. A=Average (usually monthly). Ye=Year End. p=Preliminary. N.A.=Not available. r=Revised.
 *Total gainfully employed—Approx. 3,000,000 workers.

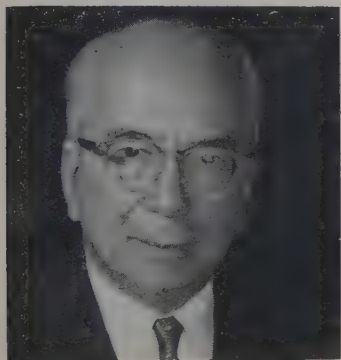
You are invited to attend the

55th

ANNUAL MEETING

of the

Chicago Association of Commerce and Industry



Secretary of Commerce

LEWIS L. STRAUSS

will make his first major address
since his appointment to
President Eisenhower's Cabinet

Also meet the new OFFICERS and DIRECTORS
who formally take office at this meeting

**Wednesday
February 11**

12 Noon

**Grand Ballroom
Palmer House**

*Please make your
reservations promptly*

Please make your reservations at once. Tables seat 10.
Tickets are \$4.50 each. Reservations may be made by
mail, messenger or telephone, FRanklin 2-7700.

Chicago Association of Commerce and Industry
30 West Monroe Street, Chicago 3, Illinois

Please reserve _____ places for me at the 55th Annual
Meeting, Wednesday, February 11, 1959; 12 Noon; Grand
Ballroom, Palmer House. My check for \$_____ is enclosed.

Name _____

Firm _____

Address _____ Zone _____



the **KANE SERVICE, inc.**

INVESTIGATIONS

can mean important savings to you

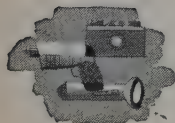
The Investigation Department of the Kane Service can help you get to the bottom of those difficult and frequently very costly situations involving the misbehavior of company personnel. Kane Service investigators are thoroughly experienced and fully qualified, and are backed with the most modern scientific detection equipment. All investigations are, of course, confidential.

PRE-EMPLOYMENT SCREENING...



The past history of prospective employees for positions involving the handling of money or other valuables can be verified by the Kane Service Investigation Department. Here the Polygraph (lie detector) can also be advantageously used to uncover the necessary facts quickly.

INVENTORY SHORTAGES...

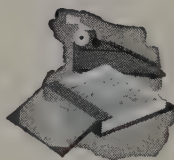


Frequently, unknown to employees, Kane investigators work side-by-side with them to uncover the source of material and merchandise shortages.



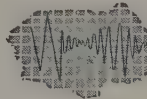
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editor's page

.....

Local Job Being Done Locally

All reports indicate that there will again be a powerful drive in the current session of Congress to get federal aid for schools. The vociferous advocates of federal aid will proclaim that local governments are unable to meet their school needs from their own sources.

In weighing this argument, here are some pertinent facts:

Although voters were generally inclined to vote down local spending proposals on November 4, more than 82 per cent of the dollar value of bond issues proposed for school purposes were approved.

A half million new classrooms have been built in the United States public school system in the past 11 years, bringing the total to 1,200,000. More than 25 per cent of all classrooms now in use were built in the last five years and more than 40 per cent in the past ten years.

The number of teachers employed has increased by 37 per cent in the past seven years and the average salary of teachers has been increased from \$3,010 to \$4,650.

These facts surely belie the charge that localities are failing in their school responsibilities and the time worn conclusion of federal interventionists that the answer is federal absorption of yet another clearly local obligation.

Building the New Chicago

A first of the year survey reveals that more than a half billion dollars will be spent for public works and improvements by local governments in Chicago in 1959. This sum will be expended on projects ranging from such giant undertakings as the Northwest Super-highway and improvement of O'Hare Field to such relatively small undertakings, which nevertheless are vital to the community's welfare, as remodelling of Children's Hospital.

The program is so comprehensive that it is difficult to find a phase of the community's development which is overlooked.

Parks and streets will be improved, additional berths for ocean-going vessels will be completed at Navy Pier, a vast amount of work will be done on the filtration plant now being built in the lake north of the Pier, additional outlying garages for offstreet parking will be built, millions will be invested in new sewers and new street lighting, and public hospitals will be improved.

Not many years ago Chicago's detractors said the

city lagged far behind other great metropolitan areas in meeting the needs of its mushrooming population. Chicagoans can now assert with confidence and pride that this no longer is the case, if ever it was. Chicago today, in fact, is far ahead of most cities and second to none in the vigor and on the broad front with which it is attacking its community responsibilities. It is well to remember, too, that though these responsibilities pose many grave problems, they arise because the community is in a new and vigorous growth cycle.

Myths About the Market

The stock market is not setting the pace for the economy. It merely reflects what is occurring elsewhere.

That important statement of fact — and it is a fact that needs to be much better known than currently seems to be the case — was made by Keith Funston, president of the New York Stock Exchange, in a talk dealing with "myths" about the market.

The stock market's activity, Mr. Funston said, has indicated a deep concern over the prospect of continued inflation. In his words: "Whether or not such fear is unreasonable, as some government experts and economists would have us believe, is beside the point. Such fear does exist and it will take more than words to alleviate it."

Mr. Funston also told some other truths about the stock market of today. It reflects a shortage of stock presently available to meet investor needs. To quote him again: "Our antiquated and totally unrealistic tax laws, particularly the capital gains levy, have caused investors to lock up billions of dollars worth of stock, rather than pay the whopping capital gains tax penalty leveled against successful investments." On top of that, companies have been discouraged from issuing more stock to finance their growth and have relied on debt financing instead. The cause here is the double tax on corporate dividends. Because of this tax and because interest on debt is tax deductible, a company raising equity money finds it costs twice as much to return a dollar to shareholders as would be required if the company raised capital by borrowing.

Our obsolete and punitive tax system is distorting the financing of enterprise just as it is distorting almost all other economic activities.

Alan Sturdy

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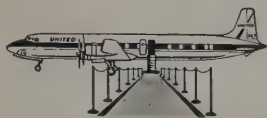
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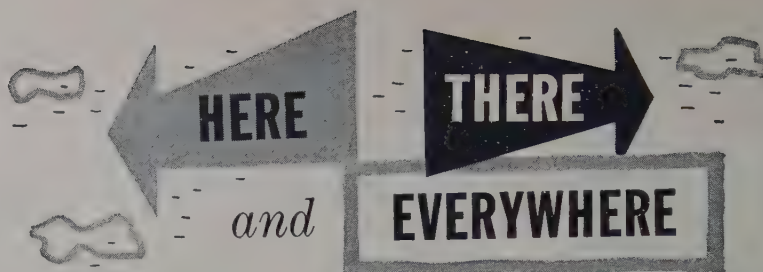
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• **Special Tax School** — District Director H. Alan Long of the Internal Revenue Service has asked employers of 200 or more who wish to assist their employees in the preparation of their 1958 income tax returns to send qualified representatives to a special tax information school to be conducted by the local IRS office. The Tax School will be held in the Prudential Building Auditorium, 130 E. Randolph Drive, on Thursday, January 22, 1959. Employers who wish to make reservations should write to Tax School, Box 1193, Chicago 90; or phone DEarborn 2-4500 and ask for Tax School.

• **Operation Job Training** — Starting the first week in March, WTTW (Channel 11) will telecast a series of educational programs for the benefit of people employed in industry who wish to continue their education. Six courses are being scheduled by the Chicago City Junior College in the 5-to-7 p.m. period. They include public speaking, business English, college algebra, business law, and physical science. A number of business firms are expected to provide television sets in lounges and other assembly rooms to make it possible for workers at the close of the day to get a snack and to take their college work via television. Information on how to obtain college credit for these courses is available through the TV office, Chicago City Junior College, 3400 North Austin Avenue, Chicago 34, Illinois. (Phone SPring 7-7900.)

• **Welfare and Pension Plan Forms** — Advisory forms (with instructions) are now available in quantities up to 50 from the local office of the U. S. Department of Labor, 105 W. Adams St., for "publishing" welfare and pension fund plan descriptions required by the Welfare and Pension Funds Disclosure Act which became effective on January 1, 1959.

Annual report forms will be available at the Department's office soon. Use of the forms is optional.

The local office is not authorized to interpret or explain the new law so requests for such information should be addressed to the Welfare and Pension Reports Division, Bureau of Labor Standards, U. S. Department of Labor, Washington 25, D. C.

• **New "Ticker Tape" TV Series** — The new series of "Ticker Tape" programs, half hour weekly educational telecasts in the investment field, has started on WTTW (Channel 11). The programs are on every Wednesday evening at 7:30. The series is presented by the Central States group of the Investment Bankers Association of America. Ezra Solomon, professor of finance at the University of Chicago school of business, is the moderator.

• **Billion Dollars Worth of Construction** — The Chicago metropolitan area has a new building construction potential of \$1 billion during 1959, according to Morton Bodfish, board chairman and president of the First Federal Savings and Loan Association of Chicago. The City proper and its six-county suburban surrounding area stands in need of 50,000 construction units this year. Of this total, 20,000 would supply the minimum yearly volume required to maintain the size and quality level of housing stock. The other 30,000 new units would be required to keep pace with the yearly increase in population, Mr. Bodfish said.

• **41.4 Million People to Move in 1960** — The coming of age in 1960-65 of the babies born during World War II will boost inter-city, long-distance moving in 1960 alone to 41.4 million people moved, 20 per cent above the estimated 1958 indus-

try total of 34.5 million people. This prediction and that of the total long-distance moving bill surpassing \$1.3 billion were made by James C. Connell, general manager of Atlas Van-Lines, Inc., Chicago. Mr. Connell expects "part of the moving industry's new business will come directly from the 'new' families, but most will result from plant expansions and relocations made necessary by the increased population." He said some 63 per cent of all city-to-city moves today are made by business executives and professional personnel promoted and transferred to new locations. This, too, he added, will increase greatly with the population boom and with the expanding of the so-called executive ranks.

• **Changed Income Tax Rules** — Many taxpayers will find it to their advantage to take a close look at the income tax changes made in 1958 legislation, according to Commerce Clearing House. More than 200 situations are affected by the new income tax law, enacted by Congress in its closing sessions. All kinds of taxpayers from collapsible corporations to policemen will find themselves affected by these changes. Under consideration for almost two years, the measure was originally designed to eliminate 28 "unintended hardships and benefits." Gathering momentum and new provisions as it progressed, notably small business tax relief, the new law contains 109 individual sections. The result is the most extensive change in the income tax ground rules since the complete overhauling made by the Internal Revenue Code in 1954.

• **November Retail Price Rise** — Retail prices rose 0.4 per cent in November, according to the National Industrial Conference Board's monthly consumer price index. The rise brought the all-items index for the United States to 107.8 (1953=100), 1.8 per cent above year-ago levels. Purchasing power of the consumer dollar declined to 92.8 cents (1953 dollar=100 cents), which was 1.7 cents below November, 1957.

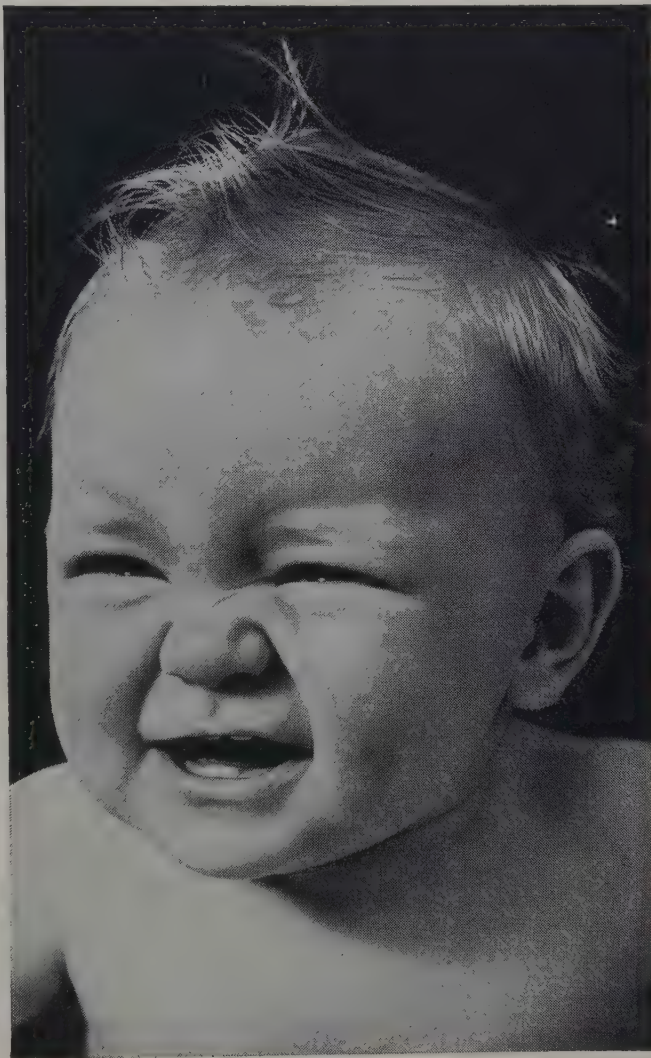
• **All-time Peak Predicted** — Home lending by the nation's 6,000 savings and loan associations in 1958 will reach an all-time peak of \$12 billion, the United States Savings and Loan League estimates. This would

represent an increase of 16 per cent over the \$10.5 billion loaned by these institutions last year.

• **Giant Salt Shaker Job** — More than 2,000,000 tons of salt — enough to fill a giant salt shaker two-and-a-half times the size of the Empire State Building — will be spread on the nation's streets and highways to remove this winter's snow and ice. This record tonnage will be used by 38 state highways departments and by a preponderance of the major cities located in the nation's snow belt, according to the Salt Institute.

• **U. S. Research and Development Spending** — Federal spending for scientific research and development amounted to about \$3.4 billion in fiscal year 1958, ended last June 30, according to a report released recently by the National Science Foundation. This reflects an increase of 13 per cent over the 1957 outlay of \$3 billion.

• **Retail Prices Stable** — Retail prices remained virtually stable in October, dipping a mere 0.1 per cent
(Continued on page 37)



"GEE, BOSS, I REALLY LOOKED HARD!"

"I couldn't find that part we needed *any* place. Then I remembered the Yellow Pages, and found it *fast*!"

Everybody looks in the







William A. McDonnell

Federalism:

A Challenge For Businessmen

The preemption of states' rights is a trend toward more standardization and regimentation and a threat to business; here's why

By WILLIAM A. McDONNELL

President, Chamber of Commerce of the United States

IN THIS country, federalism is a principle which provides for a division of governmental powers between a central government and the state governments—with both levels of government deriving their power from the same fundamental source. That source is the Constitution. Under the Constitution, the national government is not subordinate to the states, nor are the states subordinate to the national government. The two levels of government are supposed to be coordinate. The combination of central and state governments constitutes our federal government.

Nearly everyone has formed the habit of referring to the central government with headquarters at Washington as the “federal” government. That is wrong, technically speaking, but the habit seems to be too well entrenched to break.

In recent years, the principle of federalism has been under critical

assault. It has been undercut, abused and distorted. We have witnessed a steady encroachment of national government authority over the affairs of the states and a concentration and centralization of power in Washington.

Lack Definition

In one important piece of legislation after another, the Congress has been negligent in failing to define where Washington authority ends and where states' rights take over. Supreme Court decisions have been stripping the states of the right and power to protect their own people.

If the present trend continues, our state boundary lines will become meaningless lines on the map. Our state legislatures will be reduced to debating societies, with no real power to act except perhaps as to the control of noxious weeds along the farm-to-market roads.

Everything else will be regulated by edicts and directives out of Washington. And a bureaucrat will be on hand to see they are obeyed. Our governors will be demoted to ceremonial figures whose usefulness will be limited to crowning Miss Thistleblossom of 1965 or cutting the ribbon at the opening of a new highway.

Two unpleasant looking characters named standardization and regimentation are lurking in the wings of the national theater, all ready to take over the traditional role of our federal-state relationship. It is that relationship which underwrites our basic liberties and has made the United States the political, economic and social success of the world. The essence of that relationship is the 10th Amendment to the Constitution.

What does it say? It says that “the powers not delegated to the United States by the Constitution nor pro-

◀ The National Capitol, Washington, D. C. If the present trend continues, state legislatures will become debating societies with no real authority and all edicts and directives will emanate from Washington, predicts the author

hibited by it to the states are reserved to the states, respectively, or to the people."

That amendment is becoming a mockery. It has been by-passed, circumvented, flouted and ignored. Here are some examples of encroachment on the real meaning of federalism. The first one has to do with Alabama.

Some years ago, Alabama's legislature enacted a law designed to protect the health of its citizens by the inspection of renovated butter. The United States Supreme Court held that under the national pure food laws, Congress had assumed jurisdiction, leaving Alabama powerless to protect its own citizens in a special case. The court's ruling was based on the fact that some of this butter was shipped in interstate commerce.

Stand Test of Time

Our national pure food and drug laws are necessary, constructive, and have stood the test of time. Furthermore, the power to regulate interstate commerce belongs in the hands of the central government. But it is one thing to have a central government supply a needed service or provide a needed regulation. It is an entirely different thing to have a central government forbid state and local governments to supplement or even duplicate those services.

Here's another specific case of pre-emption: The Pennsylvania courts convicted a man under state sedition statutes for advocating the violent overthrow of the government. The United States Supreme Court affirmed a ruling which threw out the conviction on the grounds that the state laws had been superseded by an act of Congress. The ruling had the effect of rendering unenforceable the sedition and subversion laws of 42 states and two territories, even though some of these laws had been in effect for decades.

In Virginia, for example, a narcotics peddler challenged the state law under which he was being prosecuted with the contention that the national government's narcotics law pre-empted the field.

Senator Byrd of Virginia cited this case on the Senate floor and raised a pertinent question. Here is what he said: "Must state laws prohibiting traffic in narcotics, kidnapping, etc., be disregarded because of federal laws against these heinous crimes?

Carried to the extreme conclusion, it may be contended that the federal Supreme Court can destroy the states by application of this pre-emption doctrine. It would have only to hold that federal tax laws pre-empt state authority to levy taxes."

That is the end of the quotation, but I wish the Senator had gone on to remark that national laws have already just about pre-empted state authority to levy taxes. The suction pump of the national income tax, and other national taxes, pulls so much money into Washington that states with a "do-it-yourself" urge are often hard-pressed for funds.

The remedy is an appeal to Washington for treasury aid which means you get some of your own money back, less the administrative cost of collecting it in the first place, and less the administrative cost of disbursing it. And then, there is often a surprise in what might look like a free box of cracker-jacks. The surprise is an order from Washington which tells you how to spend the money which was really yours to begin with.

One of the clearest and most precise examples of the pre-emption doctrine has to do with labor. What happens when public utility employees go on strike. The community is immediately crippled. Hospitals need electricity in their operating rooms. Schools must have public transportation. Traffic lights must work. Yet the states are barred from protecting their citizens against the painful interruptions in service resulting from such labor disputes.

Wisconsin Case

Wisconsin — among other states — tried to cope with situations like this. It passed a law which imposed arbitration on utilities in the event that bargaining failed to settle a union demand. The United States Supreme Court ruled that because Congress had entered the field of labor legislation, the Wisconsin law was superseded, and the same decision struck down the efforts of other states to deal with disputes in the public utility field.

And that is only half the story. The central government itself has no authority to prohibit such work stoppages. It can do so only if the dispute affects an entire industry or a substantial part of that industry, and then only if the dispute imperils

national health or safety or affects interstate commerce. The states and communities are out on a limb, and at the mercy of sufficient power to saw that limb off.

At the last session of the Congress an amendment offered to the Kennedy-Ives bill sought to return to the states the power to regulate public utility strikes. The amendment was rejected. It is true that wherever state laws are in direct and positive conflict with constitutional national laws, the state laws must fall by the wayside. We all recognize that. The real issue is not whether central government or state laws shall dominate. The real issue has to do with the survival of state laws or state authority to enact laws to complement or supplement federal action.

Nullify State Action

In recent decisions, the Supreme Court has nullified state action by presuming an implied intent of the Congress to pre-empt the entire field whenever the Congress has legislated in that field. If the Congress flatly declared that its law was intended to supersede all state enactments on the subject, no legal confusion could result. But Congress seldom so specifies. And trouble often ensues.

Until recent years, the rule of judicial interpretation followed the principle that state laws should be permitted to operate where the Constitution allows both the central and state governments to assert jurisdiction except on two conditions. The first condition was that national law must be followed where it expressly supersedes state laws. The second condition was that national law must be recognized where it is in conflict with state law to the extent that a choice must be made.

But nowhere in the Taft-Hartley Act did the Congress state that it intended the law to supersede state action in the labor management field. Quite to the contrary, the law specifically protects the power of the states to outlaw the union or closed shop agreement, and on that section hinges the power of states to advance, adopt or reject right-to-work legislation. But otherwise states are precluded from preventing abuses in labor-management disputes even though the National Labor Relations Board refuses to take action.

The National Labor Relations
(Continued on page 30)

What Is Potential for Port of Chicago?

Here are results of first survey ever made of firms in Chicago's Tributary Area engaged in exporting

By De VER SHOLES

Director of Business Research
and Statistics, Chicago Association
of Commerce and Industry

HOW big will the Port of Chicago become upon the completion of the St. Lawrence Seaway? As a major inland ocean outlet, how much business can the Port of Chicago be expected to generate? What must be done before the anticipated impact of the enlarged St. Lawrence Seaway can be realized?

In answer to the first question: export tonnage of general cargo through the Port of Chicago in 1960 will increase 399 per cent over the tonnage reported moving through the Port of Chicago in 1956. By 1965 export tonnage of general cargo will have increased 512 per cent over the 1956 export tonnage. Movement of grain through the Port of Chicago in 1960 will be 2.5 times the 1956 shipment; by 1965 it will be increased to 5.5 times the 1956 movement.

What's the Potential?

As a major inland ocean outlet, how much business can the Port of Chicago be expected to generate?

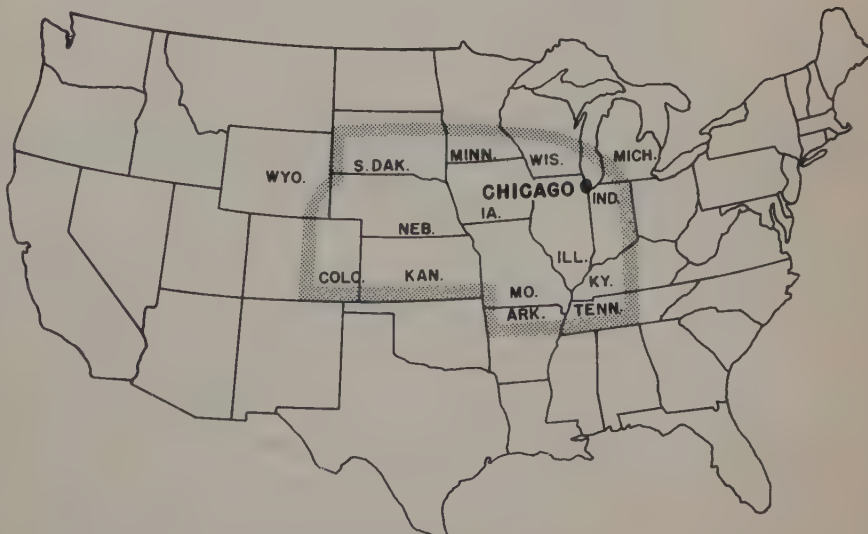
In 1956 the Chicago Tributary Area—the area where the Port of Chicago has a freight rate or shipping advantage over other ocean-outlet ports—originated approximately 13.5 million tons of export freight; of this export tonnage, slightly more than 2.5 million tons was classified as general cargo and 11 million tons as bulk cargo. The dollar values of this export tonnage amounted to \$2.8 billion of general cargo and approximately \$600 million of bulk commodities.

In 1956 only 122,761 tons (five per cent) of the 2.5 million tons of general cargo export tonnage originating in the Tributary Area moved

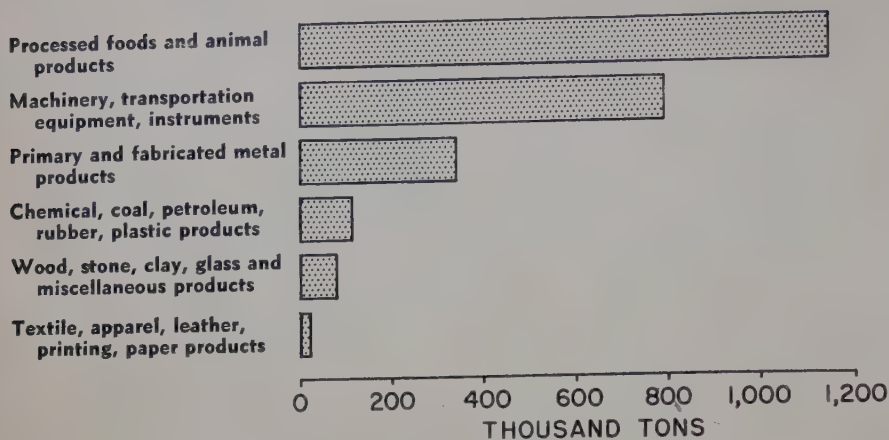
AREAS OF FREIGHT RATE ADVANTAGE FOR MAJOR GREAT LAKES PORTS



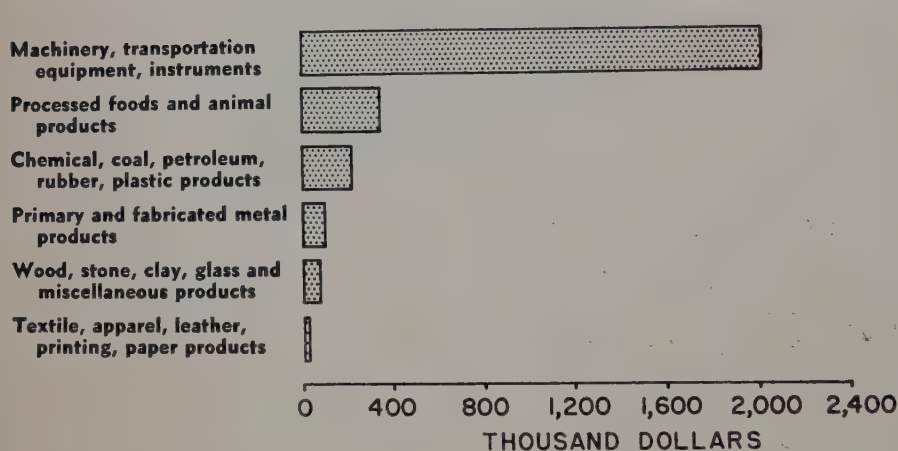
CHICAGO'S TRIBUTARY AREA OF FREIGHT RATE AND SHIPPING ADVANTAGE



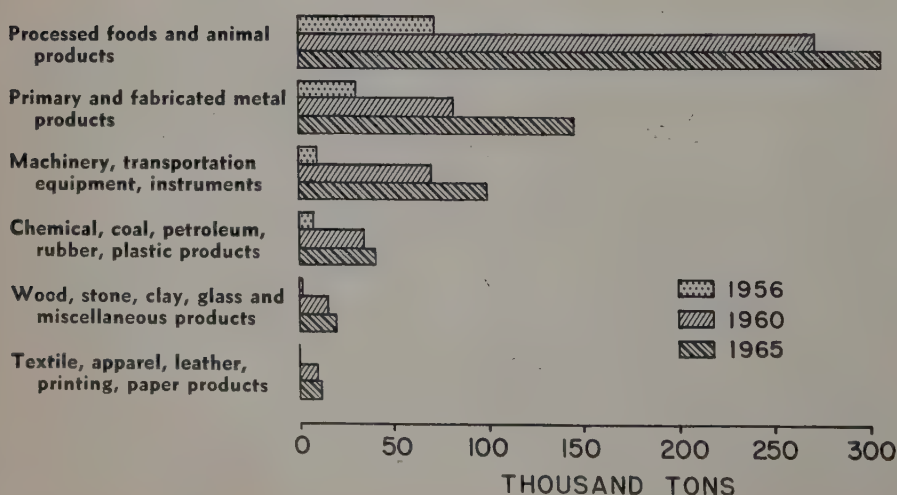
**Chart I — TOTAL GENERAL CARGO EXPORT TONNAGE
ORIGINATING IN CHICAGO'S TRIBUTARY AREA**



**Chart II — TOTAL GENERAL CARGO EXPORT —
DOLLAR VALUE**



**Chart III — GENERAL CARGO EXPORT TONNAGE —
1956, 1960, 1965 (Through Chicago)**



through the Port of Chicago. This is expected to increase to 489,274 tons by 1960 and to 629,000 tons by 1965. The story is the same with grain exported from the Tributary Area. The Port of Chicago handled only 3.5 per cent of the total 1956 tonnage of grain moving from the Tributary Area into export. By 1960, the Chicago Port should be handling 8.6 per cent of the total and by 1965, at least 20 per cent. Conceivably, at some future date, all general cargo and bulk cargo originating in the Tributary Area should be handled through Port Chicago.

What Needs to be Done?

What must be done before the full potential of the enlarged St. Lawrence Seaway can be realized?

First, rates that are at least competitive or probably a little lower than the prevailing combined land-ocean rates must be established on many more commodities.

Second, adequate facilities and port services must be available at the Port of Chicago for handling the increased volume of traffic which the Seaway will generate.

Third, frequency of sailing schedules to foreign destinations throughout the world must be adequate to handle the potential tonnage that will be awaiting shipment at the Port of Chicago.

Fourth, because of the increased transit time to many countries, foreign consignees must be educated to allow more lead time in ordering so as to take advantage of the Seaway economies.

These are some of the findings and forecasts of the first survey ever made of companies in the Tributary Area engaged in exporting. Two years in the making, the study was made by the Business, Research and Statistics Division of the Chicago Association of Commerce and Industry. Its purpose was to measure total export tonnage originating in Chicago's Tributary Area (see map, page 17) and to estimate tons of traffic which will pass through the Port of Chicago after the enlarged Seaway is opened. Approximately 700 firms out of 2700 in the Chicago Tributary Area engaged in exporting took part in the study.

The study was divided into two types of cargo according to the physical characteristics of the material handled: one, general cargo, which includes manufactured and proc-

essed commodities which are packaged in some way in boxes, bags, cartons, crates, or some sort of container; two, bulk cargo, such as grain, sulphur, molasses, coal, and tanker cargo which is carried loose or unpackaged in the holds of ships.

Because of the difficulties of predicting world conditions, rates of exchange, trade agreements and other international factors that might occur in future years, estimates from the survey of general cargo tonnage which will move through the Port of Chicago in 1960 and 1965 are projected on the basis of 1956 export tonnage. (See Chart 3, page 18.) The estimates are also based on the assumptions that the combined domestic and ocean rates via Chicago will be competitive with rates via ocean ports and that adequate facilities and port services will be available at the Port of Chicago for handling large volumes of traffic. Of the total of 489,374 tons of general cargo estimated to be shipped through the Port of Chicago in 1960, 170,220 tons (34.8 per cent) will be shipped by firms not using the Seaway in 1956.

Nine Sub-areas

In order further to pinpoint the place of origin within the Tributary Area of 1956 export general cargo shipments, the area was divided into nine sub-areas. As may be seen on Chart 4, page 19, 41 per cent of the tonnage originated in the Chicago Metropolitan area, 20.2 per cent originated in downstate Illinois, 18.9 per cent originated in Iowa and Southern Minnesota, and 9.9 per cent originated in Indiana and Southwestern Michigan. The rest of the total general cargo shipments (ten per cent) originated in the balance of the Tributary Area.

At the present time east coast and gulf coast ports share almost equally in export tonnage shipped from Chicago's Tributary Area. (See Chart 6, page 19.) Diversion of traffic to the improved St. Lawrence Seaway is expected to affect east coast ports most. Gulf coast ports are expected to be affected to a lesser degree than east coast ports. Diversion of traffic from west coast ports is not anticipated to any significant extent.

The study also revealed that the largest percentage of general cargo

(Continued on page 39)

Chart IV — ORIGINATION OF 1956 EXPORT TONNAGE OF GENERAL CARGO BY REGIONS

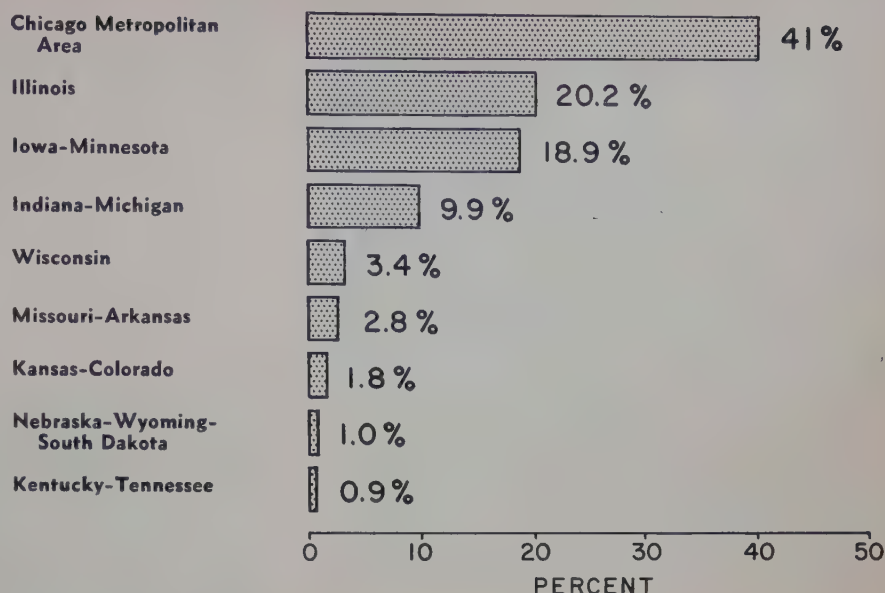


Chart V — 1956 EXPORT TONNAGE OF GENERAL CARGO MOVEMENT BY TYPE OF CARRIER

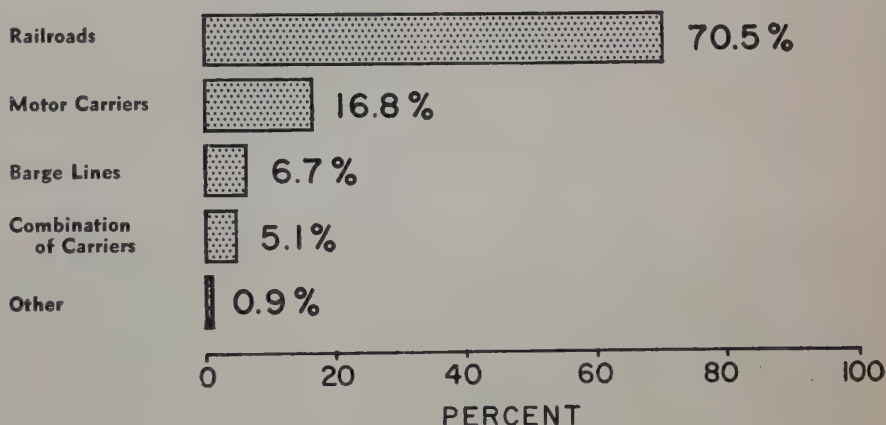
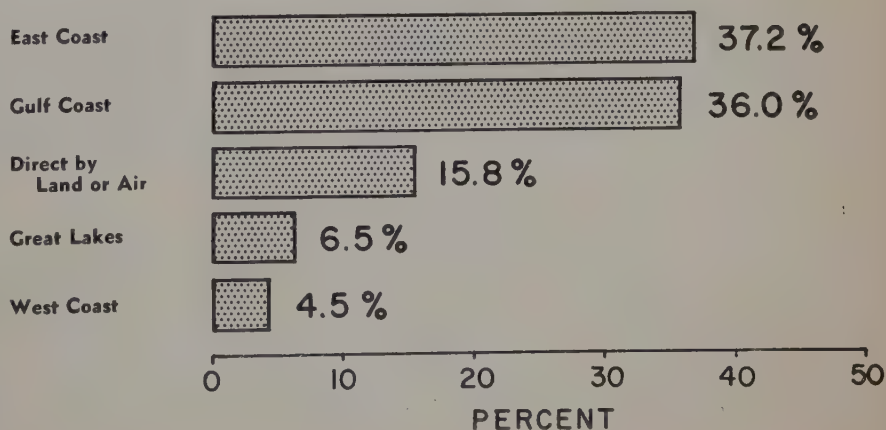
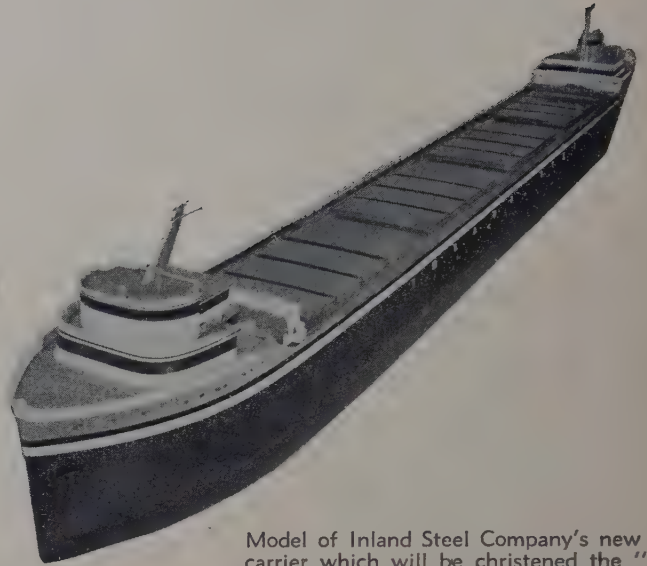


Chart VI — LOCATION OF EXIT FROM U. S. OF 1956 GENERAL CARGO EXPORT TONNAGE

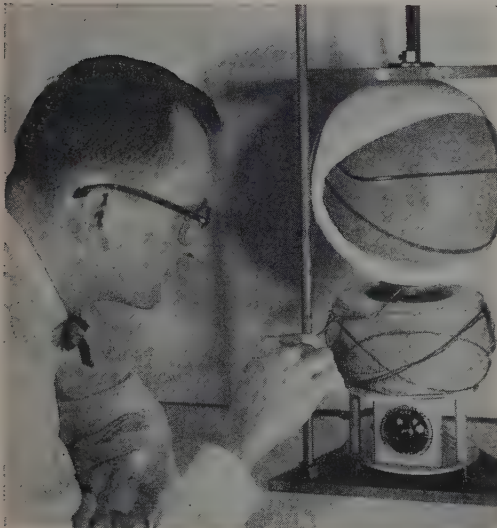




Architect's drawing of the \$5 million Mercantile National Bank Building which is now under construction at Jackson Boulevard and Clinton Street. The 15 story structure will have a 159 foot frontage on Jackson Boulevard and 165 foot frontage on Clinton Street. Completion is scheduled for the spring of 1960. Friedman, Alschuler & Sincere is the architect for the structure which is the first major project toward redevelopment of the area just west of the River in Downtown Chicago



Model of Inland Steel Company's new ore carrier which will be christened the "Edward L. Ryerson" when launched early in 1960. The vessel which will be 730 feet long is said to be the largest and most powerful (9,000 horsepower) ship ever designed for the Great Lakes trade. It is estimated it will cost over \$8 million when completely equipped

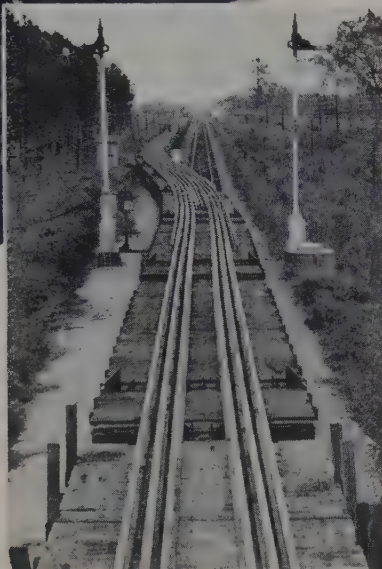
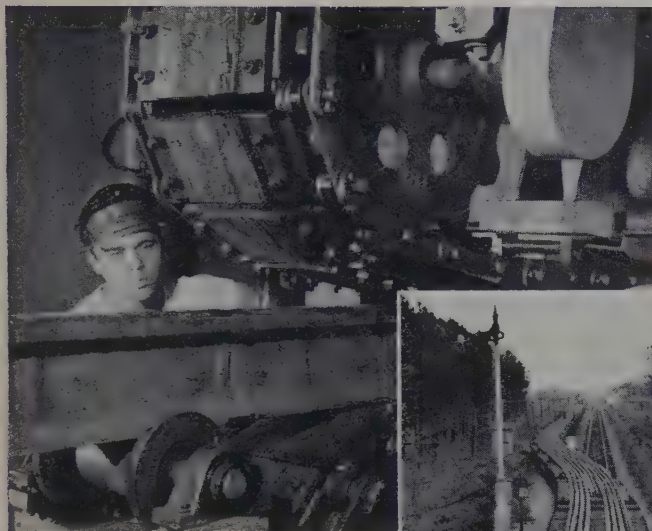


In the research laboratories of Standard Oil Company (Indiana), physicist Emil Banas uses a basketball to bend rocksalt crystals, to increase the sensitivity of x-ray analysis. Applying force to the top of the basketball distributes the pressure just right to bend the fragile crystal over a heated mold without breaking it. The curved crystal separates x-rays into a radiation pattern that reveals the kind and amount of chemical elements present in complex petroleum products



Warren Ackerman, Jr. (seated), general manager of the Pyrotronics Division of Baker Industries, Inc., Newark, N. J. demonstrating the new "Pyr-A-Larm" detection system which automatically warns of combustion gases in as little time as 13 seconds. Watching the demonstration are (left to right): Robert G. Hayes, assistant superintendent of Cook County schools; Father Wm. O. Goedert, assistant superintendent, Catholic School Board; Chief Fred Kempf, Chicago Fire Insurance Patrol; and Albert H. Petersen, assistant fire commissioner of the Chicago Fire Department

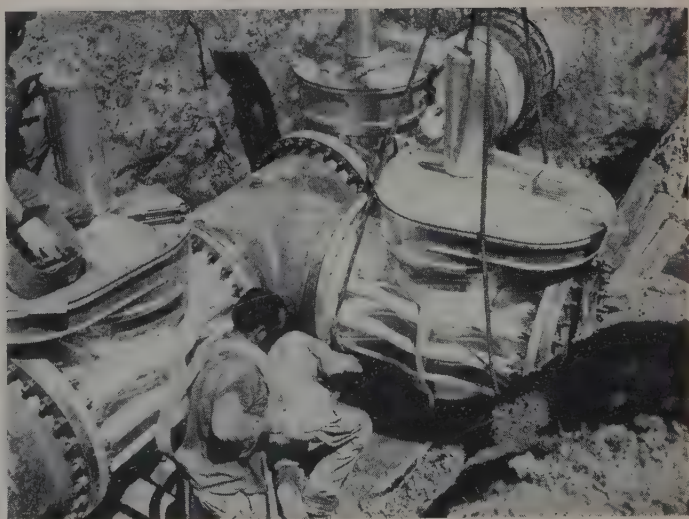
Highlights



The National Cylinder Gas Division of Chemetron Corporation has introduced the first automatic electric rail welding system manufactured in the U. S. The new continuous-rail welding system joins the standard 39-foot long rails into quarter mile lengths which eliminates the "clickety-clack" noise and is said to produce economies in track installation and maintenance. Above: the continuous rail emerges from the opening in the end of this special railroad car while standard length rails are fed into the other end

Left: Inside the rail car above, a unique rail pusher or squeeze conveyor developed by Link Belt Company transports the rail after the welding process. The conveyor applies a uniform driving force to the rail no matter how long it becomes. Also left: the flexible steel rails welded into continuous lengths a quarter of a mile long travel on a train of 34 flat cars from the place they are welded to the location where they will be installed as railroad track

Northern Illinois Gas Company continues its \$141 million construction program as workmen install three 30-inch Rockwell-Nordstrom valves on the company's new 2,500-foot main segment. Costing \$175,000 this project is designed to increase service for the Chicago area. During the next year Northern Illinois Gas plans to install three miles of 30-inch and 24-inch main to provide additional supplies of natural gas. The complete program is scheduled for completion in 1962



A Boom in Rooms

Surge in building and supply of rooms



Accommodations at Chicago's newest hotel, Executive House

WHETHER you're the president of your company or the driver of one of its trucks, you can find in Chicago new and modern hotel rooms precisely suited to your needs. A surge in motel and hotel building is swelling the area's room supply with new quarters tailored to meet the differing demands of some 10 million visitors who come to Chicago each year.

For the board chairman or corporate president, the new \$7 million Executive House, opening this month (January), offers balcony suites, complete with kitchenettes, drive-in garage and both direct-dial and switchboard 'phone service—at a top rate of \$625 per month. Just off Michigan Ave., at 71 E. Wacker Drive, the new 40-story structure, with 448 living units, combines a lakefront view with easy access to the city's financial and business centers.

Free Soup

Across town, in the freight terminal district, the weary truck driver finds a free cup of hot soup awaiting him when he pulls into the Motor World Hotel at 5300 S. Pulaski Road, or its new twin, Motor World West, at 5255 W. 47th St. Here, at

\$3 a night, the world's first hotels especially designed and built to serve the trucking industry provide sound-proof rooms, light-proof window shades, station wagon service to nearby truck terminals, and a men's wear shop that specializes in uniforms and work clothes.

Running the gamut between Motor World's comfortable practicality and the top-drawer luxury of Executive House, a host of new motels have sprung up in Chicago and its suburbs. Within the city limits alone, some 25 motels have opened since 1953, many of them plush palaces along Chicago's famous lakefront.

The Greater Chicago Hotel Association estimates that the city now has close to 140,000 rooms, with around 4,000 added in the last five years. Almost 20,000 rooms are in major hotels in the central area, giving Chicago the largest centrally located room "package" of any city in the nation—a major factor in the choice of convention sites.

Though they're at opposite ends of the city as well as the rate schedule, Executive House and Motor World exemplify the big post-war increase in direct company use of hotel services.

Executive House caters not only to the individual who wants prestige

quarters in the heart of the city, but also to companies desiring permanent rooms for travelling personnel or business guests. A growing number of firms are leasing suites or blocks of rooms in major cities on an annual basis to save time and costs and to guarantee that space will be available on emergency trips or in crowded periods. Leases at Executive House can run up to 10 years, with special provision, if desired, for temporary rental to transients on advance notice from permanent tenants.

Companies already leasing space at Executive House include the Chicago Sun-Times, Continental Assurance Company, Continental Casualty Company, Gregg-Moore Lithographing Company, Novilium Processing Company, John R. Thompson Company, and the Hupp Corporation, of Cleveland, Ohio. Manufacturing, publishing and advertising executives are leasing suites for their personal use, with the heaviest demand from busy suburbanites who frequently must stay in town on business.

Charge Accounts

At the Motor World Hotels, 98 per cent of the space is used by large trucking firms, members of the American Trucking Association, and 70 per cent of the dollar volume is handled through company charge accounts. Instead of a formal lease, the company merely wires or 'phones Motor World how many of its drivers to expect each week, and the hotel guarantees to house them.

Motor World functions as a part of the trucking industry, dispatching drivers on schedule, maintaining 24-

for Chicagoland's Hotels and Motels

renovating adds 4,000 units to city's
available for transient guests

By JUNE BLYTHE

hour restaurant service, and providing a free block-long parking area for trucks not terminating their hauls here. Companies regularly using its services include some of the nation's largest — All States Freight, Inc., Gordons Transports, Inc., Huber and Huber Motor Express, Norwalk Truck Lines, Inc., Red Star Transit Co., Inc., and Ringsby Truck Lines.

Commercial Contracts

In the suburban area, growth of business and industry has spurred construction of opulent new motels catering exclusively or primarily to commercial use. At least two, the Americana Motel, at Mannheim Road and North Ave., Stone Park, and Weller's Motor Lodge, 6450 W. Touhy Ave., Niles, have been built expressly to serve the needs of business in their areas.

Weller's began four years ago with 50 units, now has 140. Its several meeting rooms are equipped with audio systems, blackboards, and permanent movie screens. For after-conference hours, the nine-acre establishment offers a swimming pool, restaurant and two cocktail lounges. Three station wagons provide transportation to surrounding industrial plants and offices and to O'Hare Field. As illustration of the trend from the early tourist cabins to modern commercial facilities, Weller's reports that about 45 per cent of its guests arrive without cars!

Companies which frequently book their business meetings at Weller's
(Continued on page 26)



50th on the Lake, a motel with 301 rooms



Motor World Hotel, especially designed and built to serve the trucking industry



Avenue Motel, now under construction at the northwest corner of Michigan Avenue and Roosevelt Road

Formula for Success: Copy and Adapt

Management of small successful firms find that mimicking big business methods pays dividends

By **BERNARD B. BERGER**

Director, Management Seminar
for Smaller Business, University of Chicago

THE ability of larger business to ride out recessions is admittedly better than that of smaller companies. For this phenomenon there is ample explanation: larger financial resources of the major company, better sales and marketing organization, ability to maintain an advertising schedule, consistent product development, a more diversified line of products.

Some of this, obviously, is beyond the capacities of smaller firms. But investigation and experience disclose the surprising fact that most small firms which manage to hold their own against big business even against a downward business cycle, have done so primarily because they have learned to copy the methods of big business. As one of the persistent traits of successful smaller business, this practice of copying has rarely been noted by investigators. But it works.

Areas For Copying

Investigation shows that the areas in which copying of big business practices by smaller business has been successful are: organization of sales and marketing staffs, research and product development, advertising and publicity, market research and study, and executive development.

Why don't more smaller companies follow this practice of copying big business in these areas? Part of the reason is that many smaller businessmen believe they have brains enough to beat their larger competitors without aping their methods — and some can. But another part of the reason is that smaller businessmen rarely have access to the specific solutions

which big businesses have developed to maintain position, or to meet changing conditions. By the time most smaller companies do find out — when it is common knowledge in the press — it is almost too late; conditions have changed again and a new solution is in the offing.

However, those presidents of smaller corporations who do uncover the methods used by big business, often profit by the experience in every part of the business cycle.

This has been my own informal finding with businessmen at the Management Seminar for Smaller Business at the University of Chicago. It is now reinforced by a new study by the Carnegie Institute's Graduate School of Industrial Administration. The report—after four years and \$170,000 of a Ford Foundation grant to investigate the problem—indicated that most successful small businesses managed to maintain their growing stature by frankly copying the methods of big business and adapting them to a smaller operation.

As the Carnegie report indicates,



Bernard B. Berger

the vast bulk of smaller companies do not approach a problem as if they were scientific investigators. Whether it's the installation of a stock option plan, retirement benefits, a change in salesmen's bonuses or quotas, a diversification of the product line — what many successful companies mean when they say they will "investigate" a problem is that they will look to see what a few large bellwether companies have done, and then endeavor to do the same thing. Unfortunately, not every small company knows how to ascertain precisely what larger companies are doing in a given area.

Initiate Scientific Studies

For example, the first companies to use computer machines for payrolls were the large firms already heavily involved in using computers for processing of engineering and scientific data. Some of these giant companies initiated genuine scientific studies as to whether the machines could be applied to accounting and other functions.

Then, once the ball started rolling, other medium-sized companies began running after it. Later, the more successful smaller companies began "investigating," and the persistent ones dug around until they found out what companies were using a computer for accounting procedures and how well those companies liked it (some didn't). A good proportion of the smaller firms then followed suit by adapting the idea to their own operations. This was most commonly done by renting time on a centralized computer.

But to the vast bulk of smaller
(Continued on page 28)

GAS AT WORK

for

Chicago's Industry



The main entrance to the new
Burny Bros. Bakery in Chicago.



The 85-foot long oven shown above is one of seven modern Gas bake ovens which are operated on a 24-hour basis at Burny Bros. Bakery, 4600 W. Chicago Ave. In addition, four large Gas-fired boilers operated on an off-peak Gas rate basis are used in the many other phases of bakery production.

For almost 50 years, Burny Bros. has been producing delicious bakery goods for the people of Chicago. During this half-century they have grown from a single bakery to an enterprise currently supplying 40 retail stores, in addition to restaurants, hotels and schools through its 78 truck routes.

Over the years Burny Bros. has found that Gas plays a major role in preserving

the high standards demanded for their products. The automatic heat controls of today's modern Gas ovens maintain steady accurate temperatures, assuring even baking. Burny Bros. has found, as have many other Chicago bakeries, that Gas provides clean, dependable heat while keeping operating and maintenance costs to a minimum.

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THE
PEOPLES GAS
LIGHT AND COKE COMPANY

Boom In Rooms for Hotels and Motels

(Continued from page 23)

include A. B. Dick and Co., International Minerals and Chemical Corp., E. I. du Pont de Nemours & Co., Dow Chemical Co., Allstate Insurance Co., Bell and Gossett Co., Bell and Howell Co., Aetna Insurance Co. General Mills, Inc., and Ford Motor Co.

As north suburban industry continues to expand, Weller's is drafting plans for a second motel of perhaps 500 units, with a flexible hall seating 1,500 persons and divisible into smaller conference rooms at will.

The second such motel devoted almost exclusively to business use is the Americana, now in its second year of operation. An 84-unit addition, to be completed this spring, will give the Americana 124 rooms. Companies using its facilities for meetings and conferences include Admiral Corp., Chicago Screw Co., International Harvester Co., W. W. Kimball Co. and Motorola, Inc.

The Americana reports it also helps house guests attending large

conventions in the Loop, since many firms schedule their own company conferences to coincide with trade or industry-wide meetings. Station wagon service to helicopter connections at O'Hare Field whisks such guests to downtown exhibit halls or meetings in 15 minutes.

Second Unit

The owners, Americana Motor Courts, Inc., will start construction this spring on a second, 120-room motel, at the corner of River Road and Touhy Ave., just off the Illinois Toll Road. Completion of the new \$1.5 million facility is expected by 1960. The new motel is being planned to accommodate some tourist business in addition to the established commercial customers, and will incorporate such attractions as an outdoor swimming pool and a playground for children.

The new motels inside the city limits appeal equally to the business traveler or the vacationing family

and typify the transition from small, owner-operated units to big city hostelry. The ubiquitous automobile, which inspired the first tourist cabins 40 years ago, similarly prods the growth of today's huge, luxurious motor hotels on choice urban sites. Over 85 per cent of vacation travel and almost three-fourths of business travel now is estimated to be made by automobile. American Motel Magazine reports a \$4.7 billion investment in 56,248 motels nationally, with an annual gross business of \$1.3 billion.

Four of Chicago's lakefront motels, for example, have been sponsored by a single investment group and represent a combined cost of almost \$12 million. The investors are headed by Albert Nadolna and Harry Boshes, who also head Trans-American Construction Co., which built the projects. The Sands, at Foster Ave. and N. Sheridan Rd., was the first Chicago motel to boast a swimming pool. Newest and largest is 50th on the Lake, with 301 rooms. The others are the Dunes, at Stony Island Ave. and 94th St., and the Thunderbird, at 7501 South Shore Drive. All have swimming

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pools, air conditioning, television, switchboard service and restaurants — features becoming almost universal in this new type of metropolitan motel.

The same group plans additional motels within the city to add 1,200 more rooms to the 1,735 already built, for a combined operation exceeded only by the Palmer House and the Conrad Hilton Hotels in Chicago. First of the new projects will be a three-story, 12-unit motel in the 5300 block of N. Sheridan Rd., with construction slated to start in March.

The trend toward multiple projects, if not actual chain operation, is evident also among the backers of the new Avenue Motel, now under construction at the northwest corner of Michigan Ave. and Roosevelt Road. Several of the investors in the sponsoring Harmony Building Corp., headed by Alex Heytow, also are principals in the two-year-old Acres Motel, at Bryn Mawr and Lincoln Aves., and are contemplating a third motel at Michigan Ave. and Eleventh St.

Rail Travelers

The new five-story Avenue Motel, with 78 units, expects to attract both vacationing and business motorists and — a new wrinkle in motel trade — rail travelers. The site is directly across Michigan Ave. from the Illinois Central Railroad's Twelfth St. Station. Car rental service will be available at the motel for rail travelers, with most of the motel's first and second floors devoted to parking space.

Another multi-story motel scheduled for completion this spring is the Lake Tower, at Ohio St. and Lake Shore Drive, facing Navy Pier. The \$3 million, 12-story structure is designed around a swimming pool, and will have balconies with stairways leading direct to the pool for rooms up to the third floor. The sponsors, Alexander T. Spare and Robert S. Levy, also constructed the Shore Drive Motel at 56th St. and South Shore Drive.

Still another cluster of motels has sprung up around Midway airport, starting with Caffarello's, erected three years ago. These are designed for the convenience of air travelers, but a considerable portion of their business comes from motorists and surrounding industries. Caffarello's

estimates that about one-fourth of its patronage emanates from local businesses and industries. Others in the airport area include the Chicago Airways Hotel, the Airliner Hotel, the Skylark Motel and the Midway Motel.

Chicago's major hotels have been extensively re-vamped. The Drake, for example, has invested \$11 million over the last 10 years in what amounts to virtual re-building within its walls. Arcades and kitchens have been completely re-built, new elevators and a new switchboard installed, rooms re-furnished, air conditioning installed throughout,

and major dining rooms and restaurants such as the Cape Cod and Camellia House completely done over — the latter by the well-known decorator, Dorothy Draper.

The Drake also expects to start construction soon on a new concept in hostelry, combining in a "sub-urban hotel" what it believes to be the best features of the outlying motel and the downtown hotel. Plans call for a 134-room Drake North, on a 15-acre tract at Higgins Road and Cumberland Ave., near Park Ridge. A four-story main building will be modeled after the downtown Drake, while six smaller, two-story



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buildings will surround a large court and provide adjacent parking space.

Architect's plans will permit expansion of Drake North to 399 rooms. The central court will have a swimming pool and provision for outdoor dining. The grounds will include tennis courts, shuffleboard and a miniature golf course, as well as a heliport and additional parking area.

Similar plans have been drafted for a Drake West and Drake South,

to be executed as metropolitan expansion in those areas warrants.

Other new hotel construction may include a 25-story, 500-room addition to the Sheraton, which would be built on the site now used for parking just north and directly adjacent to the existing building at 505 N. Michigan Ave.

Executive House already plans a six-story addition to its brand new structure, to permit larger restaurant and conference room facilities. And

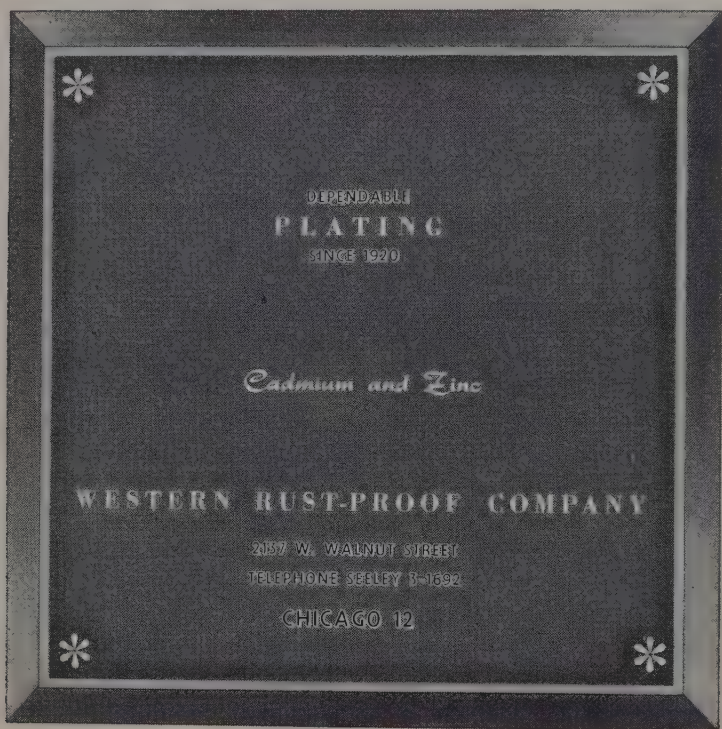
Morris R. DeWoskin and Co., operators of Executive House, are considering a second Wacker Drive structure of 250 or more hotel apartments. DeWoskin regards Wacker Drive, flanked by the Chicago River, as one of the city's ideal sites for additional development.

Typical of the programs in other hotels are the Sherman, which has re-decorated and re-furnished every room; the Morrison, which is rehabilitating all of its rooms and remodeling several of them into 56 additional entertainment suites; and the LaSalle, which has been remodeled throughout. Virtually all the central hotels report creation of additional meeting rooms to meet the growing demand for business and trade show gatherings.

Chicago already is the convention capital of the world, with over 1,000 trade shows and large meetings each year, attended by almost 1.3 million persons. Less known is the fact that it also is becoming a year-round vacation center—tourist trade has increased some 300 per cent in the last two decades.

The Chicago Association of Commerce and Industry has estimated that over 18 million visitors pass through Chicago each year, about 10 million of whom stay overnight or longer. The new highways and toll express roads, the opening of the St. Lawrence Seaway, and the advent of jet travel soon will bring new millions to the city.

The new building and modernization program of the hotels and motels is geared to do more than house the city's visitors. Its aim is to make Chicago the perfect host by meeting the varied tastes and budgets of a guest list far larger than the population of London.



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Formula For Success

(Continued from page 24)

companies, computer operation is merely something they have heard about. They have little idea of the benefits (or drawbacks). To make such an "investigation" takes a certain amount of persistence in uncovering details and correctly evaluating them. Many presidents of smaller companies explain their inability to keep up with the latest developments in their industry by pleading "lack of time," and to a

lesser extent, limited manpower. It is as simple as that.

Surveys show that almost all presidents of smaller companies concentrate their energy and drive on the day-to-day conduct of their business. Very little of it is available for forward planning or long-range studies; very little of it is available for outside community interests. What leisure these men permit themselves (even vacations) is work-oriented (they keep in touch with the office by phone or mail).

Policy Decision

In the main, smaller companies and their presidents attempt to reach a solution by inner-company discussion when they are faced with a policy decision. But the more successful companies dig around to find out "who" has a successful solution — and then often adopt it with modifications to suit their needs.

This is evident today in two sectors: marketing and research. Consider the marketing problem. Knowledgeable smaller businessmen today are tackling the difficult job of making practical sense out of the somewhat faddish big business "marketing concept."

In large enterprises, separate marketing divisions handle all the studies of consumer wants and needs, how to reach the consumers, and the delicate network of distribution channels. Similarly, where a large business has a diversity of kinds of products, there are a variety of sales forces and even sales divisions, each handling different kinds of products.

In many cases this was done in order to eliminate the situation in which sales engineers with technical training, in order to meet sales quotas, were forced to spend a good part of their efforts pushing smaller standard shelf items sold through distributors, and thus reducing the time they had available for big-job, direct selling installations.

With smaller business, if there is a variety of products, the usual situation is that every salesman sells the whole line. First he calls on the hardware distributors (for two or three products), then on the grocery chain store buyers (for two or three others), then he visits the factory purchasing agents for still other products.

Copying big business, the changing concept among aggressive smaller

industrial manufacturers today is to pick salesmen with merchandising talents to sell to distributors, to help distributors solve their problems and develop distributors' trading territories — and to pick salesmen with engineering talents to sell direct, usually larger items with a larger price-tag.

Three smaller manufacturers in Chicago after attending the Management Seminar, have made this shift in sales organization — not because of independent study but because they learned that some larger companies in their field had found this to be a superior method (for them).

The second area in which successful small business is aping big business, is in research. A number of smaller food processors in the course of attending the Management Seminar, were impressed with the necessity of maintaining research and development programs for new products. But no one of these could afford to maintain such a program.

Some investigation of what big business did, uncovered the fact that larger companies have on occasion jointly formed a new company for a

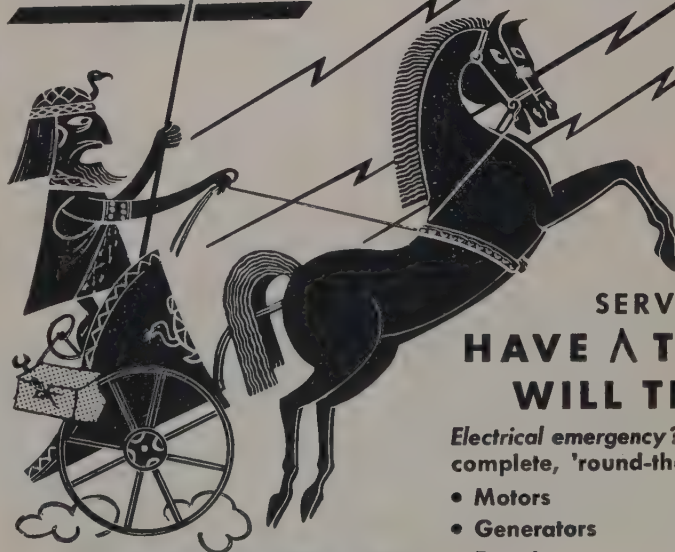
specific purpose of potential benefit to all members of the group. This did not affect their own independent status.

Taking a leaf out of this book, three small food processors, unable to afford separate laboratories and anxious to develop new food items, pooled their research budgets, formed a separate corporation owned by all three, which started research for all three. These smaller processors thought that if they pooled their research resources they would have sufficient to do a minimal, but quality job, and develop items which would fit in different ways with the product lines of each.

This venture started in the middle of 1956. To date, the laboratory has developed 14 items of which nine were added to the product line of one of the three companies, while the other two members added seven of the new items to their lines. Only three of the new items are common to all three.

The effort of the joint research laboratory was directed towards finding unfilled needs in the food field, developing products to fit that market, and then licensing those prod-

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ucts to any or all of the three joint owners. Royalty income now received assures continuation of the joint research.

Advertising is one area where small business has largely copied the form of big business efforts, but often avoids the content of these programs. Small business has learned to use advertising agencies as a tool of its sales efforts. But very often the role of the advertising agency counseling smaller firms is restricted to creation of advertisements. The agency is often fenced into a position where it is just another supplier — of writing and artistic skill, in this instance. Big business, on the other hand, uses its advertising agencies as a part of its marketing team and generally assigns to the agency a major part of the job of developing

sales strategy and of creating the marketing tools that the sales staff will use.

In this respect, small business has lagged far behind in using public relations and publicity as an arm of sales. Many small businessmen leave this highly important field almost exclusively to their bigger competitors, thinking of it as a "luxury" that is not for their budgets. However, those smaller companies which have developed public relations programs related to their marketing problems have often been highly successful.

The educational process often brings these new methods to the attention of smaller businessmen who might otherwise not have time to unearth them by themselves.

Federalism: Challenge to Businessmen

(Continued from page 16)

Board excludes certain classes and kinds of disputes by its jurisdictional standards. This policy is dictated by practical considerations. If every business engaged in interstate commerce were to come before the board, the NLRB would be swamped.

The states, nevertheless, are pre-empted from granting relief in cases which the NLRB refuses to hear. This is not only a blight on management. Employees can also be the victims. In a recent Utah case, a group of employees was refused access to NLRB processes. It sought and obtained relief from the state labor authority — after which the United States Supreme Court said the state authority had no right to hear the

case. It is outside the realm of conscience that a man — or group of men — should suffer a wrong in this country and have no forum to hear his grievance.

A number of our states have labor relations acts of their own which are old enough to be the grandfather of the Taft-Hartley Act. But these laws are largely inoperative because federal law supersedes them in all labor disputes involving the element of interstate commerce, and almost every labor dispute of any scope involves that element.

Why should the states be prevented from exercising concurrent jurisdiction over cases affecting interstate commerce? If it is unlawful for a union to engage in a certain

form of secondary boycott under federal law, why shouldn't any state also make it unlawful and be able to enforce such a law?

Labor disputes are often better settled at the community level. Swift and impartial justice meted out by state courts would prevent small disputes from growing into monumental battles. Illegal picketing today would be halted by tomorrow. Monopoly practices in restraint of trade would be quickly struck down.

But the doctrinaires of pre-emption will not have it that way. They point out the lack of uniformity in state laws. The argument is convenient but flimsy. There are several areas which the rule of conformity has not yet penetrated. Firms engaged in interstate commerce pay different tax rates in the states and different licensing fees. They make corporate returns on a different basis and are subject to differing state antitrust laws. Other examples of nonconformity could be cited.

Yet we are asked to yield to uniformity in labor laws. This is scarcely an answer to the small grocer whose deliveries have been cut off by strangers picketing his store because he refused to force his employees into a union.

States' Right Bill

The last session of the Congress came within one vote of restoring the sovereignty of the states through the states' right bill — one of the most significant legislative proposals advanced. It provided very simply, that no state law could be stricken down because the Congress had legislated in the same field unless the national law so provided or unless the two laws could not be reconciled or consistently stand together.

The author of the bill was Congressman Smith of Virginia. He explained its purpose in a few trenchant words on the floor of the House. Here is what the Congressman said:

"This bill does exactly two things. It says to the Supreme Court — First, do not undertake to read the minds of the Congress; we in Congress think ourselves more capable of knowing our minds than the Supreme Court has proved capable of in the past; and we will do our own mind reading; and we are telling you that when we get ready to repeal a state law or pre-empt a field, we will say so, and we will not leave it to

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the Supreme Court to guess whether we are or are not. That is No. 1.

"Second, the other thing this bill does is to say that the Supreme Court must not knock down state laws unless they are in irreconcilable conflict with a federal law. What this means is that the federal law shall always be supreme when it is in conflict with a state law, but if it is not in conflict with the state law that the Supreme Court must not go out of its way to knock down state laws unless the Congress has told them to do so. That part of the law has been law for 99 years by word of the Supreme Court . . . in the case of *Sinnot against Davenport* issued in 1859."

Returned to Committee

The House of Representatives overwhelmingly approved the Smith bill by a vote of 241 to 155, and passage by the Senate seemed certain. Then at the last moment, the opponents of the bill threatened a filibuster, and the bill was returned to committee by a vote of 41 to 40. One vote has seldom meant so much to the destiny of our federal-state relationship. Or to the issue of pre-emption versus freedom.

The Smith bill had no relationship with—nor would it have had any effect on—state laws declared to be unconstitutional. It would have only assured the right of states to enact constitutional laws not in conflict with Congressional legislation. We can anticipate that a states' rights bill will be introduced again in the next session of the Congress.

We can also anticipate it will be bitterly opposed by all those who are so vigorously promoting the concentration of more power in the hands of Washington bureaucracy. But the gravest danger for states' rights legislation is the alarming number of people who seem to be indifferent to the issue.

The great migrations of population in the war years and the post-war years have contributed to this indifference. People lost their ties with their native states and communities and failed to establish substitute ties in their new environments. They lost their motivation to be jealous of state and community rights.

It is this indifference we must try to overcome—for the passage of

(Continued on page 37)

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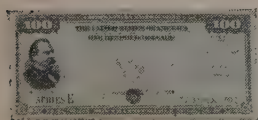
"Those enrolled in the Payroll Savings Plan for U.S. Savings Bonds alone save the equivalent of one and one half \$25 bonds a month.

"For those investing in U.S. Savings Bonds under the Savings Fund Plan, each is averaging more than one \$25 bond per month.

"The response of our employees to the Payroll Savings Plan for Savings Bonds is evidence of their faith in the nation. We are proud of their record in saving systematically in E Bonds, thus participating in a program of planned thrift while helping to build America's power to keep the peace."

**CLIFFORD F. HOOD, President and Chairman,
Executive Committee,
United States Steel Corp.**

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INVESTMENTS in industrial plant facilities in December totalled \$24,760,000 compared with \$13,305,000 in December, 1957. The total of programs for plant investment announced during all of 1958 came to \$198,930,000 compared with \$251,414,000 in 1957.

• **Tempel Manufacturing Company**, 1939 W. Bryn Mawr avenue, has acquired a 98-acre site bounded by the Tri-State Tollroad, the Chicago and North Western Railway and Milwaukee Avenue, west of Glenview in Northfield township. Tempel will erect a 600,000 square foot manufacturing building; a 338,000 square foot administration and research building, and a 100,000 square foot structure for garage purposes. The premises will be extensively landscaped and the building was designed by Shaw, Metz and Dolio. Tempel manufactures non-metallic steel laminations for use in armatures and other electrical equipment. The company was founded in 1945 and now employs over 300 persons.

• **E. J. Brach and Sons**, 4656 W. Kinzie street, one of Chicago's leading candy makers, will erect a new structure of 200,000 square feet which will house new candy making facilities and afford additional warehouse space. The new structure will be six stories which will be designed for additional floors to be added later. J. A. Scanlan, engineer.

• **Andrew Corporation**, Orland Park, is planning to build a new office building and additional floor space at its manufacturing plant for a total of 115,000 square feet of floor area. Construction will start early in the spring, and the plans are being drawn by the architectural firm of Anderson and Novak. An-

drew Corporation makes television, radio and communication antennas, transmission line equipment and other electric and electronic products.

• **National Dairy Products Corporation**, Research and Development Division, is expanding its laboratory in Glenview with the erection of 100,000 square feet of floor area for a research and development laboratory. Construction on the project will start in early spring. The research facilities in Long Island are being shut down and the personnel transferred to the Glenview site. The new structure will be one of the largest food research laboratories in the nation, and is on a 13-acre tract of land.

• **Textron Metals Company**, Girard, Ohio, has erected a new plant containing 45,000 square feet of floor area at 1025 W. North avenue. The new facilities will replace one that is now operating at 3949 S. Federal street. The company makes extruded aluminum home building products.

• **Set Screw and Manufacturing Company**, Bartlett, is erecting an additional 29,000 square feet to its plant where it manufactures set screws, socket caps and related items. The additional floor area will approximately double the size of the present plant and employment may also double in approximately two years. D. B. Cheskin, architect and engineer; Dyson Berg and Salveson, general contractor.

• **Oakley Steel Products Company**, Bellwood, is having a 24,000 square foot addition built at its plant to which the company will move its entire operation upon completion. The company operates a

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branch at 332 N. Oakley avenue, which will be closed upon completion of the new structure. The new floor area for this steel fabrication company is being erected by Schillmoeller and Krofl, general contractor; Clarence Lampe, architect.

• **Griffin Wheel Company**, subsidiary of American Steel Foundries Corporation, now located at 445 N. Sacramento boulevard, has purchased 36 acres of land in Bensenville to supplement its present operations. The company now operates plants for the production of railroad wheels in Cqlton, California; Muncie, Kansas; Council Bluffs, Iowa and the Chicago location.

• **Doromatic Division of Republic Industries, Inc.**, 7350 W. Wilson avenue, Harwood Heights, is adding 15,000 square feet of floor area for production use in the manufacture of door controls and door guards, manual and automatic.

• **Airway Products Corporation**, 3801 Rose avenue, Schiller Park, is erecting a 20,000 square foot office and factory addition. The company manufactures metal displays. La Salle Construction Company, general contractor. Robert J. Love, architect.

• **Vierling Steel Works**, 325 W. 23rd street, has started construction on an additional 25,000 square feet of floor area adjacent to its present facilities for warehouse purposes. The firm is a steel warehouse and fabricator. Battey and Childs, engineer.

• **Kelmer River Terminal Warehouse Company** has acquired a four-story building at 1345 W. 37th place which contains 110,000 square feet of floor area. The structure is in the Central Manufacturing District and has both rail and water facilities available. The premises will be extensively remodeled before occupancy by Kelmer, distributors of chemical products. Van C. Argiris and Company and Nicholson, Porter and List, brokers.

• **Chicago Hardware Foundry Company**, North Chicago, is adding 16,000 square feet of floor area to its plant for consolidation of several departments so as to simplify mate-

rials handling. The company is a manufacturer of gray iron, aluminum and brass castings, restaurant equipment, tables, weld rods, dryers, etc. John Sugge, general contractor.

• **Bennett Industries**, Peotone, in Will County, is adding 14,000 square feet of floor area to its plant which produces structural steel products for buildings and bridges, tanks, pails, containers, etc. Jackimiec and Miller, engineer; Rigid Steel Products, Inc., general contractor.

• **Lockform Company**, 4615 W. Roosevelt road, Cicero, manufacturer of metal forming machinery and hand tools has started construction of a 12,000 square foot addition to its production floor space. Architect, Zay Smith; Kelso Construction Company, general contractor.

• **Waco Products Company, Inc.**, 2056 W. Grand avenue, has relocated its operations to a plant recently acquired at 450 N. Leavitt street. The part one and part three-story building contains 36,000 square feet of floor area in which the company will manufacture its line of tubular furniture. Lustig-Goode Realty Company, broker.

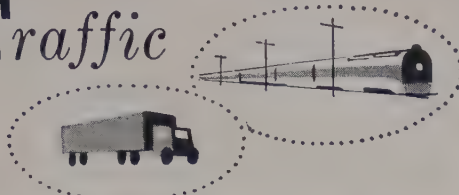
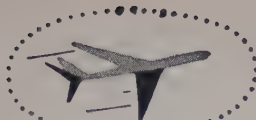
• **Manted Company**, a subsidiary of Wiman Manufacturing Company of Minneapolis, has acquired a 30,000 square foot building for a branch plant in North Chicago. This is the company's first operation in the Chicago area, and will be utilized to manufacture automobile seat covers.

• **Gary Steel Products Corporation**, 4400 W. Ninth avenue, Gary, is adding 9,000 square feet of floor area to its plant in which it manufactures warm air furnace pipes, elbows, ducts, stacks and accessories, M. R. Scofield, engineer.

• **Coleman Cable and Wire Company**, 3919 Wesley avenue, Schiller Park, has purchased a 4,000 square foot plant at 9447 W. Seymour street in the same suburb. Bennett and Kahnweiler, broker.

• **Cicero Sheet Metal, Inc.**, 5949 W. 31st street, Cicero, is expanding its plant with the addition of 6,000 square feet of floor area. A. J. Zelanka, architect and engineer.

Transportation and Traffic



THE Soo Line has become the first U. S. railroad to file a proposal to establish a so-called "agreed charge" rate. The railroad terms the proposed rate a "guaranteed rate" because it would not be changed for a period of 12 months unless required by a minimum rate order of the Interstate Commerce Commission. In turn the shipper would guarantee that at least 90 per cent of its tonnage would move by the railroad during the 12-month period. The proposed rate, filed with the Western Trunk Line Committee, is \$10.05 per net ton, including the Ex Parte No. 212 increases, on pipe or tubing, steel or wrought iron, welded or seamless, minimum weight 80,000 pounds, from Sault Ste. Marie, Ontario, Canada, to Chicago and points in the Chicago Switching District. The "guaranteed rate" would alternate with the present rate of \$12.18 per net ton, including all increases. In justification for the proposed rate, the Soo Line said: "In May, 1957 we filed a proposal seeking to establish rates that would insure a rail movement of pipe and tubing from a new plant at Sault Ste. Marie, Ontario. Water competitive rates were sought to Chicago, Ill., Kansas City, Mo., Houston, Tex., Vidalia, La., etc. Subsequent handling of our proposal through rate committee channels resulted in approval of a rate to Chicago only, and that rate was higher than had been proposed. The rate published effective October 25, 1957, was \$12.18 per net ton, including the X-206-A increase. The movement statistics clearly demonstrate that the rate established was too high to accomplish its avowed purpose of meeting water competition. Thus far in 1958 there has been a sizeable movement to Chicago and points beyond, but a relatively insignificant portion of the tonnage has

moved by rail. The rail movement took place during the months that navigation was closed. . . . Sound business acumen seems to dictate that before making any further adjustment in the rate we should have concrete assurance that such action on our part is going to result in our obtaining the preponderance of the movement for rail haul. Without some guaranteed provision there would be nothing to prevent the possibility of the proposed reduced rate again becoming merely a standby rate to be used after the close of navigation."

• **Freas Explains Commission's Rate-Making Policies:** In testifying before the subcommittee on legislative oversight of the House Interstate and Foreign Commerce Committee, Howard Freas, chairman of the Interstate Commerce Commission, cited the following tests most frequently applied by the commission in the determination of lawful rates:

"1. In general whether the rate in issue conforms to the rule of rate making and the national transportation policy.

"2. Whether the rate is compensatory.

"3. Whether the rate constitutes an unfair or destructive competitive practice.

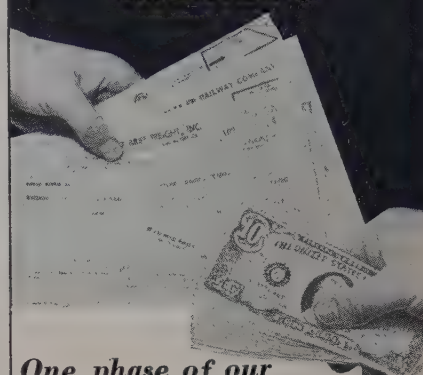
"4. Whether the rate proposed to meet competition is shown to be lower than necessary for that purpose, and thus would serve only to dissipate needed carrier revenues.

"5. Whether the rate would unnecessarily disregard value-of-service considerations and thus lead to uneconomic conditions in transportation.

"6. Comparisons of lawful rates on the same or similar commodities in the same general territory."

With respect to the commission's policy in handling violations of the

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Interstate Commerce Act, Chairman Freas said: "The type of action the commission takes—criminal, civil, or administrative—is determined on our judgment based on our experience in accordance with existing law. There are many small carriers, some of which are new to administrative regulations and interstate commerce law, who unintentionally commit violations. In many cases when such violations and the possible penalties therefor are brought to their attention, such violations are discontinued. Many of them are relatively minor and one-time violations not of a flagrant nature. In such circumstances, we believe the emphasis should be on an educational program looking toward prevention of violations rather than on punitive measures."

• **Oral Argument January 14 on Airlines' Strike Aid Plan:** The Civil Aeronautics Board has set oral argument for January 14 on the proposed strike aid plan of six major airlines. Under the plan the airlines would determine the additional revenue derived as a result of a strike against a member of the group and after deducting the additional expense for handling this extra traffic, the net additional profit would be returned to the struck airline. The C.A.B. said the following questions, among others, are relevant in determining whether the agreement is consistent with the public interest and does not violate any provision of the Civil Aeronautics Act:

"1. Does the agreement violate any applicable provisions of the railway labor act?

"2. Will the operation of the agreement improve or impair labor-management relations in the industry?

"3. Will the agreement discriminate in restraint of trade against other air carriers not parties to it?

"4. What effect, if any, will the agreement have upon administration of the mail-pay program?

"5. What effect, if any, will the agreement have upon the extent of government participation in labor-management disputes?"

The six airlines parties to the pact are American Airlines, Inc.; Capital Airlines System; Eastern Air Lines; Pan American World Airways; Trans World Airlines, Inc.; and United Air Lines.

• **Senator Asks Probe of Passenger Train Discontinuances:** A Senate investigation of recent discontinuances of passenger train service was urged last month by Senator Case of New Jersey. "The Senate Interstate and Foreign Commerce Committee should take a close look at the impact the Transportation Act of 1958 has had on applications to abandon passenger train service," Senator Case said. "In many states with commuter problems," he added, "local officials, civic leaders and the railroads are showing signs of getting together in earnest in an effort to work out a system whereby commuter service can be continued. That the railroads have a serious fiscal problem cannot be contested. Local and state tax relief or subsidies are being fully discussed. My concern is that this activity should not be frustrated by the effects of the new act. Congress can and should change the law if it hinders, rather than facilitates, reasonable negotiation and conciliation at the local and state levels. The commuter problem can never be worked out while attempts are being made to destroy passenger service." In conclusion, Senator Case's statement said that he is writing Senator Magnuson "in an effort to obtain early hearings on this most serious matter."

• **Postmaster General Asks I.C.C. Consent for Increased 4th Class Mail Rates:** The Postmaster General, on November 28, filed an amended request for consent of the Interstate Commerce Commission to establishment of increased postage rates and other rate reformations on fourth class mail. The increases average approximately 17 per cent. The request states: "Based on experience as to the cost of providing the fourth-class mail service, as reflected by available data derived from the ascertainment of the cost of providing such service for the fiscal year ending June 30, 1957, and developments which have substantially increased the cost of fourth-class mail service since the end of the fiscal period covered by said ascertainment, including the prescription by the Interstate Commerce Commission of increased compensation, rates, and charges for the transportation of United States mail by railroad and increases in postal expendi-

tures and other changes resulting from the enactment of Public Law 85-426, 85th Congress . . . and Public Law 85-462, 85th Congress . . ., the Postmaster General has found that the present rates of postage are such as to render the cost of fourth-class mail service greater than the receipt of revenue therefrom by approximately \$88 million." Hearing dates on the request have not as yet been announced by the commission.

• **President Selects Rep. Allen as Undersecretary of Commerce for Transportation:** President Eisenhower has nominated Representative John J. Allen, Jr. of California for Undersecretary of Commerce for Transportation to succeed Louis S. Rothschild. The nomination will go to the Senate in January for confirmation. Mr. Allen served in Congress since 1946, but was defeated for re-election in November. He was a member of the House Merchant Marine Committee.

Here, There and Everywhere

(Continued from page 13)

cent, according to the National Industrial Conference Board's monthly consumer price index. The all-items index for the United States now stands at 107.4 (1953 equals 100), 1.9 per cent above year-ago levels. Purchasing power of the consumer dollar inched up 0.1 per cent to 93.1 cents (1953 dollar equals 100 cents), but was 1.8 cents below the value of the October, 1957 dollar.

Federalism

(Continued from page 31)

states' rights legislation will hinge in large degree on action by the business community. Washington is remote from most of our communities. But if the central government continues to pre-empt state authority, we will become a nation of commuters, racing back and forth from home to Washington in the hopes of having our knotty problems untangled in some cumbersome bureaucracy — which is also a wonderful place to have letters snarled up in channels.

It is important that laws and rules and regulations affecting business be adopted by a near-by government — a reachable government. This is

particularly important in such areas as unemployment compensation and workmen's compensation where there is a constant flow of transactions and a constant flow of determinations to be made.

Experimentation has materially contributed to the success of America, and experimentation demands a lot of elbow room. Imagination and ingenuity get at the root of most problems, but imagination and ingenuity cannot thrive in a climate of restriction. They need flexibility. Our states have been laboratories of human experience, testing and discarding and often achieving major breakthroughs to the solution of immediate and long-range problems.

The experience of one state has frequently served as a springboard for action by other states and for the Washington government. The Taft-Hartley Act was patterned in large part on a Wisconsin statute.

Shall we cut off the tap root, dry up the well spring, deal only from the top? Shall we continue to permit this gradual erosion of state authority?

The strength of our republic has

been based on a system of checks-and-balances and a separation of responsibilities between the states and central government. If that strength is to be preserved, then we must beat down the doctrine of pre-emption of states' rights by the national government. We must restore the principle of the federal-state relationship as laid down in the Constitution.

It is not easy to live in a democracy because it demands so much from the individual. It is not easy to maintain a republic. Other republics have failed through individual complacency. While the mass of people dozed off in the cozy hammocks of apathy and lethargy, clever manipulators drew the reins of power into their hands. This could happen to us.

It is said that as Benjamin Franklin walked out of Convention Hall in Philadelphia, after signing the new Constitution of the United States, someone asked him, "What have you given us?" and he replied, "A Republic, Sir, if you can keep it."

Can we keep it? Yes, if we pay the price. That price is eternal vigilance.

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INDEX TO VOLUME LV COMMERCE

February 1958 – January 1959

(Departments appearing monthly and not indexed here are Industrial Developments in the Chicago Area; Trends in Finance and Business; Here, There and Everywhere; Statistics of Chicago Business; and Transportation and Traffic. Miscellaneous brief items are not indexed.)

CIVIC

Group Formed to Plan For Area's Hospital Needs.
Mar. p. 51.
Chicago's Industrial Expansion Story. By Charles
F. Willson. Apr. p. 22.
Honor Architecture and Building Work. May
p. 26.

ECONOMIC

Chicago Business in 1957. Mar. p. 61.
Is Recovery Just Around the Corner? By Sumner
H. Slichter. May p. 11.
Dollar Design. By M. S. Szymczak. May p. 27.
Prices and the Public Interest. By Roger M.
Blough. Oct. p. 19.
Chicago's Business Outlook For 1959. By
DeVer Sholes. Dec. p. 15.
An Economic Profile of Chicago. By Ezra Solo-
mon. Dec. p. 17.

EDUCATION

Education and the Small Businessman. By Eliezer
Krumbein. Mar. p. 60.
WTTW—A New Approach to Telecasting. By
June Blythe. Apr. p. 16.
Companies Retraining Engineering Staffs. By Phil
Hirsch. May p. 16.
One Day Chicago Tour Provides Thrills for a Life-
time. By Gareth D. Hiebert. Aug. p. 22.
A Blueprint For Executive Training. By J. Ros-
coe Miller. Sept. p. 13.
"Operation Brainpower," An Assist For Chicago
Youth. By June Blythe. Nov. p. 18.
Milestones for Two Local Business Schools. By
June Blythe. Dec. p. 22.

FOREIGN AFFAIRS AND TRADE

Economic Comparison of USA and USSR. By
Tom Callahan. July p. 13.
Growing United States Stake in Canada. By James
Montagnes. July p. 20.
A New Service For Chicago Exporters. By Ray
Cromley. Aug. p. 13.
Japan, Customer and Competitor. By Thomas H.
Coulter. Dec. p. 18.

MANAGEMENT METHODS

Does Executive Compensation Affect Return On
Investment? By Arch Patton. Mar. p. 55.
Where Is Your Business Going In 196X? By Dave
Chapman. Aug. p. 16.
Executives Now Play Games For Serious Purpose
of Developing Management Skills. By Frank M.
Kleiler. Aug. p. 20.
New Financing Aid For Small Businesses. By Ray
Cromley. Oct. p. 17.
The Invisible Sound Barriers In Selling. By Paul
B. Wishart. Nov. p. 15.

MISCELLANEOUS

A Look At the Next Twenty-five Years. By Wil-
liam C. Bober. Feb. p. 15.
What's Happening In Labor? By A. H. Raskin.
Feb. p. 11.
Employers Play It Cool; Turn to Air Conditioning
To Keep Employees Happy. By Phil Hirsch.
Feb. p. 18.
Baseball Salaries: A Fascinating Saga of Individual
Bargaining. By Raymond Schuessler. Mar. p. 52.
A New Program For Collective Bargaining. By
Harold J. Ruttenberg. Mar. p. 54.
Postage Stamps, A New Advertising Medium. By
James Montagnes. Mar. p. 58.
The Challenge to Business Leadership. By Thomas
H. Coulter. Apr. p. 13.
Try To Name a Company. By Tom Callahan.
May p. 13.
Industrial Packaging Acquires New Dimensions.
By Phil Hirsch. June p. 16.
The Art of Making Multi-Story Buildings Usable.
By Irving Footlik. June p. 20.
Are Executive Tensions A Business Legend? By
June Blythe. July p. 16.
How Some Firms Handle Ideas From Outsiders.
By Frank M. Kleiler. July p. 17.
Chicago's West Side Medical Center. By Phil
Hirsch. Aug. p. 15.
1959 Chicago International Trade Fair To Be "Sell
Out." By Tom Buck. Sept. p. 16.
Fire, A Conquerable But Growing Menace. By
Elmer F. Reske. Oct. p. 13.
Borg-Warner Corporation Opens Unique Exhibi-
tion Hall. By Tom Callahan. Oct. p. 22.

Government Business For Small Companies. By
Ray Cromley. Nov. p. 17.

RESEARCH AND TECHNOLOGY

Making Tomorrow Today's Business. By Walter
W. Finke. Feb. p. 13.
New "Break Through" In Automation. By Alan
Sturdy. Apr. p. 20.
Our Missile Program: A Progress Briefing. By
Maj. Gen. B. A. Schriever. June p. 13.
Precision Instruments: A Key To World Power.
By Ray Cromley. Sept. p. 15.

TRANSPORTATION

Big Boom on for Barge Business. By Phil Hirsch.
Apr. p. 15.
Helicopter Business Booms In Chicago. By June
Blythe. Sept. p. 20.
Two New Firsts Made In Rail Passenger Service.
By Alan Sturdy. Nov. p. 22.

CONTRIBUTORS

Blough, Roger M. Prices and the Public Interest.
Oct. p. 19.
Blythe, June. WTTW—A New Approach To
Telecasting. Apr. p. 16. Are Executive Ten-
sions A Business Legend? July p. 16. Helico-
pter Business Booms In Chicago. Sept. p. 20.
"Operation Brainpower," An Assist For Chicago
Youth. Nov. p. 18. Milestones for Two
Local Business Schools. Dec. p. 22.
Bober, William C. A Look at the Next Twenty-
five Years. Feb. p. 15.
Buck, Tom. 1959 Chicago International Trade
Fair To Be "Sell Out." Sept. p. 16.
Callahan, Tom. Try To Name A Company. May
p. 13. Economic Comparison of U. S. A. and
U. S. S. R. July p. 13. Borg-Warner Corpora-
tion Opens Unique Exhibition Hall. Oct.
p. 22.
Chapman, Dave. Where Is Your Business Going
in 196X? Aug. p. 16.
Coulter, Thomas H. The Challenge To Business
Leadership. Apr. p. 13. Japan—Customer and
Competitor. Dec. p. 18.
Cromley, Ray. A New Service For Chicago Ex-
porters. Aug. p. 13. Precision Instruments: A
Key To World Power. Sept. p. 15. New Fi-
nancing Aid For Small Businesses. Oct. p. 17.
Government Business For Small Companies.
Nov. p. 17.

Finke, Walter W. Making Tomorrow Today's
Business. Feb. p. 13.
Footlik, Irving. The Art of Making Multi-Story
Buildings Usable. June p. 20.

Hiebert, Gareth D. One Day Chicago Tour
Provides Thrills For A Lifetime. Aug. p. 22.
Hirsch, Phil. Employers Play It Cool; Turn To
Air Conditioning To Keep Employees Happy.
Feb. p. 18. Big Boom On For Barge Business.
Apr. p. 15. Companies Retraining Engineering
Staffs. May p. 16. Industrial Packaging Ac-
quires New Dimensions. June p. 16. Chicago's
West Side Medical Center. Aug. p. 15.

Kleiler, Frank M. How Some Firms Handle
Ideas From Outsiders. July p. 17. Executives
Now Play Games For Serious Purpose of Devel-
oping Management Skills. Aug. p. 21.
Krumbein, Eliezer. Education and the Small Busi-
nessman. Mar. p. 60.

Miller, J. Roscoe. A Blueprint For Executive
Training. Sept. p. 13.
Montagnes, James. Postage Stamps, A New Ad-
vertising Medium. Mar. p. 58. The Growing
United States Stake In Canada. July p. 20.

Patton, Arch. Does Executive Compensation Af-
fect Return on Investment? Mar. p. 55.

Raskin, A. H. What's Happening In Labor?
Feb. p. 11.
Reske, Elmer F. Fire, A Conquerable But Grow-
ing Menace. Oct. p. 13.
Ruttenberg, Harold J. A New Program For Col-
lective Bargaining. Mar. p. 54.

Schriever, Maj. Gen. B. A. Our Missile Program: A Progress Briefing. June p. 13.
Schuessler, Raymond. Baseball Salaries: A Fascinating Saga of Individual Bargaining. Mar. p. 52.
Sholes, DeVer. Chicagoland's Business Outlook for 1959. Dec. p. 15.
Slichter, Sumner H. Is Recovery Just Around the Corner? May p. 11.
Solomon, Ezra. An Economic Profile of Chicago. Dec. p. 17.

Sturdy, Alan. New "Break Through" In Automation. Apr. p. 20. Two New Firsts Made In Rail Passenger Service. Nov. p. 22.
Szymczak, M. S. Dollar Design. May p. 27.

Willson, Charles F. Chicago's Industrial Expansion Story. Apr. p. 22.
Wishart, Paul B. The Invisible Sound Barriers in Selling. Nov. p. 15.

What Is Potential For Port of Chicago?

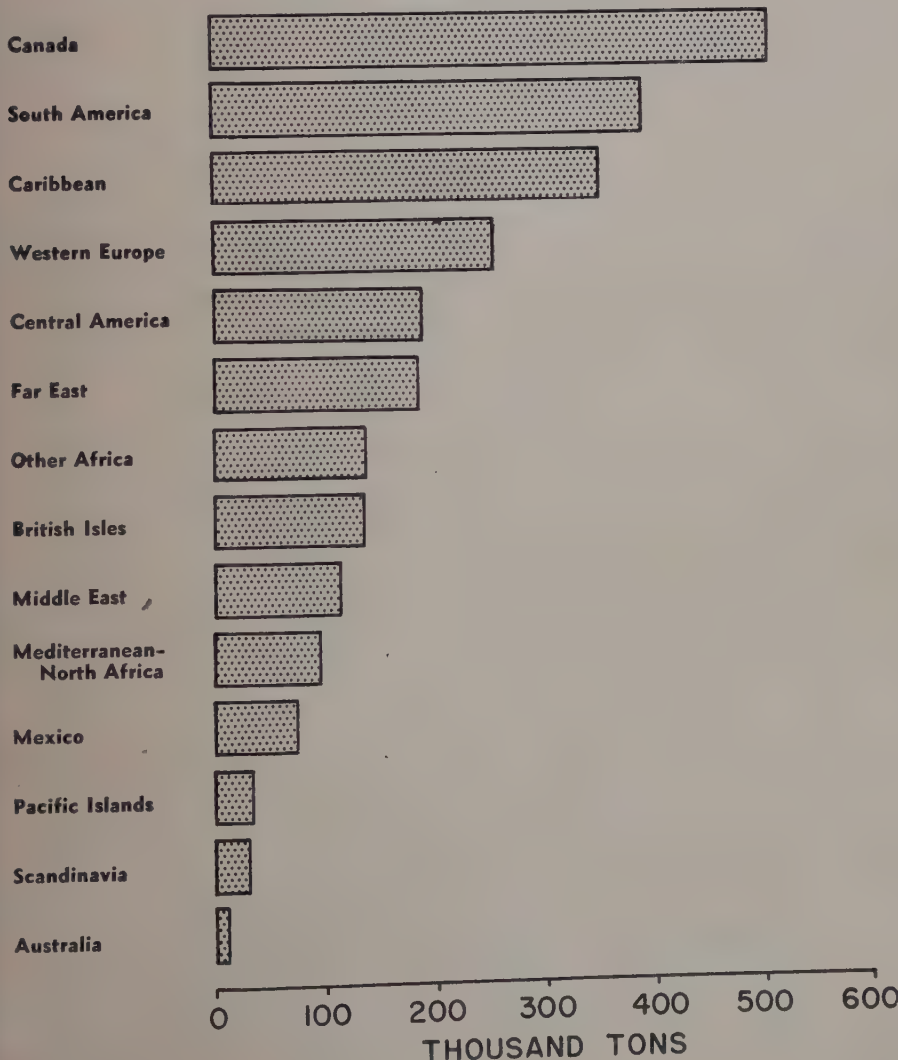
(Continued from page 19)

originating in the Tributary Area in 1956 (70.5 per cent) was moved to ocean ports via railroads. Motor carriers handled 16.8 per cent and barge lines 6.7 per cent. The remainder was moved by rail-barge or other combination of types of carriers. (See Chart 5, page 19.)

For bulk commodities, figures are not available from the survey with which to determine the future export tonnage of many of the items. There are a great many bulk commodities that move regularly into export, among which are the grains,

many petroleum products, fertilizers, ores and concentrates, coal, stone, and scrap metals. Approximately 11,000,000 tons of bulk commodities originated in the Tributary Area in 1956. Of this total, over 1.4 million tons moved through the Port of Chicago. This includes 1.1 million tons of coal, 315,800 tons of grain, and small amounts of other commodities. The survey indicates that only the shipments of export grain through the Port of Chicago will increase appreciably after the Seaway improvement is completed.

Chart VII — DESTINATION OF 1956 GENERAL CARGO EXPORT TONNAGE



Established 1922

AIR CONDITIONING AND VENTILATION CONTRACTORS

POWER PRESS FORMING
ROLLING - SHEARING

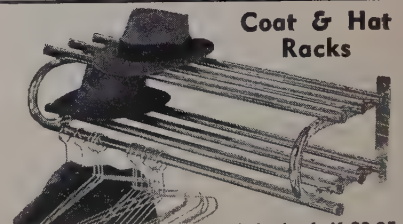
ARC - GAS & SPOT WELDING

10 Gauge and Lighter Steel

FABRICATION and INSTALLATION

Western Ventilating Company

1019 W. Grand Chesapeake 3-3434-6



Coat & Hat
Racks

36" single shelf \$9.95
36" double shelf \$14.95

Sturdily made 1" tubular steel, mirror-like chrome finish. Single, double, triple shelves, in 2-3-4-5-6 foot lengths. Attach on standard 16" stud centers. Chrome stand for floor models. Shipped K.D.

Sturdy Hangers: Wire and Tubular.

Open hook \$3.30 per doz. Closed hook \$3.90

Single Shelf	Length	Double Shelf
124	\$ 8.95	24" 224 \$13.45
136	9.95	36" 236 14.95
148	11.95	48" 248 17.95
160	14.45	60" 260 23.95
172	17.95	72" 272 29.95

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831 Chicago Avenue, Evanston, ILL.

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333 N. Michigan Ave.
Financial 6-7797

New President

PAUL W. GOODRICH

elected to lead Association

Three New Officers Named

PAUL W. GOODRICH, President of the Chicago Title and Trust Company, has been elected as President of the Association, it was announced by Joseph L. Block, Association President and President of the Inland Steel Company.

Three new officers and 15 new directors were also chosen to help guide affairs of the Association for the next two years.

Other officers elected are: Vice President for Business Research and Statistics John K. Langum, Vice President for World Trade Leslie H. Dreyer, and General Secretary Stuart S. Ball.

All officers and new board members will assume office at the 55th Annual Meeting on February 11.

Goodrich has been a Director or an Association officer during the last four years. He also is a Director of the Chicago Chapter of the American Red Cross, a Trustee of the Chicago Sunday Evening Club and a Trustee of Gary Memorial Methodist Church.

He joined the Chicago Title and Trust Company in 1931, serving as Assistant Secretary, Assistant Vice President and Vice President and Head of the Title Division before being named President.

Goodrich was born in Oskaloosa, Iowa, September 2, 1906. He is a graduate of Drake University and received the Law Degree from Chicago's Kent College of Law and the MBA Degree from the University of Chicago.

He and Mrs. Goodrich reside at 816 North Wheaton Avenue, Wheaton. They have three children, William Davis, James Wallace and Carolyn.

The new Vice President for Business Research and Statistics is John K. Langum, Economic Consultant with offices at 209 S. LaSalle Street and President of Business Economics, Inc.

Langum has served on faculties of the Universities of Minnesota, California, Northwestern, Chicago, and Indiana. He is prominent in graduate banking and financial education.

He served as a faculty member for the Graduate School of Banking, Central States School of Banking, School of Banking of the South, Graduate School of Savings and Loan, Southwestern Graduate School of Banking, Life Officers Investment Seminar and Financial Analysts Seminar.

He served from 1941 to 1951 as Vice President, in charge of research at the Federal Reserve Bank of Chicago and also served as an economist of the Federal Open Market Committee which determines national monetary policy.

Leslie H. Dreyer, Vice President of the Foreign Banking Department of the First National Bank of Chicago, was selected as Vice President for World Trade. He has been with the First National Bank since 1931 and after serving in various departments, became a loaning officer in 1939. After serving the domestic side of the bank, he came to the Foreign Banking Department as Vice President and in recent years has served as head of the department.



Paul W. Goodrich, new President, Chicago Association of Commerce and Industry, and President, Chicago Title and Trust Company



John Langum, new Vice President for Business Research and Statistics, and President, Business Economics, Inc.



Leslie Dreyer, new Vice President for World Trade, and Vice President of Foreign Banking Dept. of The First National Bank of Chicago



Stuart S. Ball, new General Secretary, and Partner, Sidley, Austin, Burgess and Smith

He is also Vice President of the Bankers' Association for Foreign Trade, Director of the Union League Club of Chicago and President of the Evanston Township High School Board.

The new General Secretary is Stuart S. Ball, attorney, partner in the firm of Sidley, Austin, Burgess & Smith. He is a Director of the Association, of John Sexton & Co. and Horder's Incorporated. He is also a Trustee of the Orchestral Association of Chicago and Wesley Memorial Hospital and a Vice President and Director of the Cook County School of Nursing.

Ball, an Evanstonian, has offices at 11 S. LaSalle Street. He came to Chicago from his native Iowa as Assistant Secretary of Montgomery Ward & Co. in 1932 and served the firm, in turn, as Secretary, Vice President, President and Director until 1952.

Retaining office are the following: Vice President for Commercial Development, James C. Worthy, Vice President of Sears, Roebuck & Com-

pany; Vice President for Community Development, Earl Kribben, Vice President of Marshall Field & Company; Vice President for Health, Education & Welfare, Edward C. Logelin, Vice President of United States Steel Corporation; Vice President for Industrial Development, Thomas G. Ayers, Vice President of Commonwealth Edison Company.

As Vice President for Governmental Affairs, C. B. Randall, Tax Attorney, Natural Gas Pipeline Company of America; Vice President for Revenue, Herbert V. Prochnow, Vice President, First National Bank of Chicago; Vice President for Transportation, Frank F. Kolbe, President, United Electric Coal Companies; as General Treasurer, A. Newell Rumpf, Vice President, Harris Trust & Savings Bank.

These men all were elected for a one year term from the time of installation in February, 1959.

New Directors, named for the two year term are: Warren W.

(Continued on page 46)



The Association's Glee Club entertains passersby with Christmas carols on Monroe Street outside headquarter offices during Christmas week. Gregory Konold is director of the group



Senator Paul Douglas explains the American way-of-life to a young immigrant boy before an exhibit in the Association's display windows proclaiming "Bill of Rights Day." Display space is available to Association members and civic groups



Dr. David D. Henry, President of the University of Illinois, speaks to more than 400 persons at an Association-sponsored luncheon meeting. He emphasized the urgent need of an undergraduate branch of the university in the Chicago area



Austin Kiplinger, (left), of the Kiplinger Washington Editors, discusses the recently published economic report on the Chicago Metropolitan Area with Raymond R. Becker of the Association's Public Relations staff during rehearsal of "You and Your Money" on Channel 11 (WTTW)



(right), Chairman of the Illinois checks covering expenses of Max Allison Nancy Turner of Champaign to the they were awarded the gifts work in Illinois. Norman C. Director of the National Committee on Club Work, looks on

Secretary of Commerce will address the 55th Annual Meeting, February 11

Lewis L. Strauss, Secretary of Commerce, will address the Association's 55th Annual Meeting on February 11th in the Grand Ballroom of the Palmer House at 12:00 noon.

Secretary Strauss' talk will be his first major address since taking over his recent duties in President Eisenhower's cabinet.

Joseph L. Block, who is completing his two year term as President of the Association, will be chairman of the program.

During the meeting, Paul W. Goodrich, President of the Chicago Title and Trust Company, will be inaugurated as the Association's new President.

Richard J. Daley, Mayor of Chicago, will be among the honored guests.

More than one thousand members are expected to attend.

Secretary Strauss has had an outstanding career in the fields of government, military service, diplomacy and business. His government service dates back to 1917 when he was secretary to Herbert C. Hoover, then

United States Food Administrator.

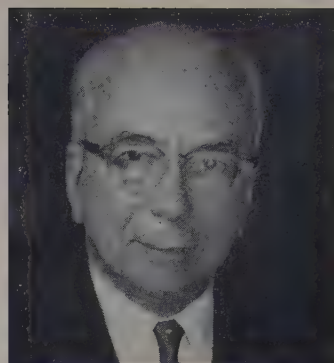
The following two years he served as an administrator in the United States Food Administration and as a delegate at the Final Armistice Convention.

His naval career began in 1926 in the Reserves, which led to his promotion through officer grades to the rank of Rear Admiral, one of the first Reserve Officers ever to reach that rank. Following his duty in various departments of Naval Operations, he became a Special Assistant to the Secretary of the Navy in 1944, which led to his being appointed a member of the first Atomic Energy Commission in 1946.

In 1953 Strauss became a Special Assistant to President Eisenhower, later named by the President to be the Chairman of the United States Atomic Energy Commission.

On October 24 he was appointed as Secretary of Commerce and took the oath of office on November 13, 1958.

Strauss was associated with the firm of Kuhn, Loeb and Company of New York for 27 years and held



Lewis L. Strauss

a partnership for 17 years. He resigned in 1946 to take office as the Commissioner of the Atomic Energy Commission. At various times he was Director of Business Enterprises for the Radio Corporation of America, National Broadcasting Company, General American Transportation Corporation, United States Rubber Company, Industrial Rayon Corporation, and the Rockefeller Center, Inc. He served as consultant and financial advisor in 1950 to the Rockefeller Center.

He was awarded the Distinguished Service Medal and the Legion of Merit as an officer in the Legion of Honor, and has been decorated by several foreign governments.

In 1958 Strauss was awarded the Medal of Freedom by President Eisenhower.

***"St. Lawrence Seaway - Stimulus to World Trade"* will be theme of 22nd Chicago World Trade Conference, Feb. 26-27**

Jointly sponsored by the Association and the Export Managers Club of Chicago, the 22nd Chicago World Trade Conference will convene Thursday and Friday February 26-27 in the Palmer House.

Theme of the Conference will be "St. Lawrence Seaway - Stimulus to World Trade."

Leslie H. Dreyer, Conference Chairman and newly elected Vice President of the World Trade Division, said the theme was selected to point up how the expanded Seaway will spur two-way foreign trade and the international outlook of the Midwest.

More than a thousand delegates,

not only from the Midwest, but from all parts of the United States and foreign countries, are expected to attend according to C. C. Crittenden, Conference Vice Chairman and President of the Export Managers Club.

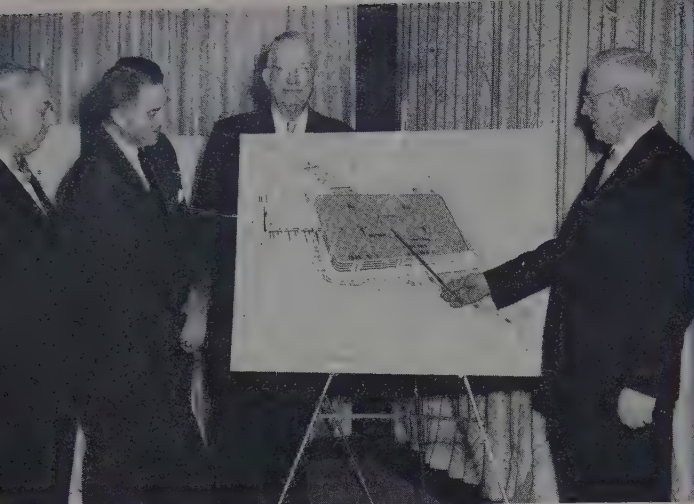
Other officers are Treasurer, Stuart D. Nelson, Treasurer of the Export Managers Club and Export Sales Manager of Automatic Transportation Co.; Secretary, Robert L. Bean, Director, World Trade Division, Chicago Association of Commerce and Industry; and Assistant Secretary, Agnes C. Stenros, Executive Secretary, Export Managers Club.

An advisory committee of 50 prom-

inent Chicago Area international traders and heads of organizations interested in foreign relations and business will aid Conference officers in plans and promotion.

Scheduled, following registration the morning of Thursday, February 26, are major luncheon and dinner addresses, area talks covering world regions important in foreign trade and many receptions by various groups represented at the conference.

The Friday morning session, February 27, will be devoted to topics of current international business importance. The World Trade Forum, following luncheon Friday noon, brings the conference to a close.



A plan calling for parking facilities at outlying CTA stops is explained by Walter C. Cleave (right), chairman of the Association's Subcommittee on Parking Facilities, to (left to right) L. M. Traiser, Engineer for the CTA, Earl Kribben, Vice President of the Community Development Division and A. W. Consoer, Chairman of the Public Improvements Committee. Inset: Artist's sketch suggests the future possibility of terminal development at DesPlaines avenue, Forest Park

Board Action

CTA Subsidy Endorsed

Approved Three Transportation Programs

The Board of Directors of the Chicago Association of Commerce and Industry at its December meeting endorsed three programs for improvement of mass transportation.

The CTA improvement plan, which will ask \$31.5 million from the state legislature, was presented to the Board by Virgil Gunlock, a member of the Mass Transportation Committee and Chairman of the CTA. The initial appropriation would be spent for new signal systems, extension of CTA service on the new Northwest Highway and inclusion of CTA service in the new South expressway.

Principles embodied in legislation proposed by the Chicago suburban railroads which would give them greater freedom of pricing and changing their service or facilities were summarized by Downing B.

Jenks, member of the Mass Transportation Committee. These principles received Board endorsement.

Walter C. Cleave, Chairman of the Street Traffic and Parking Committee's Subcommittee on Parking Facilities, reported on proposed construction of outlying "Park 'n' Ride" garages which would relieve congestion on new expressways and help protect the central district against excess auto traffic. The Board approved the proposal, which calls for such facilities to be built adjacent to L-subway stations at DesPlaines Avenue in Forest Park and the Congress Expressway; near Central Avenue, on the Northwest Expressway; Edens Expressway near Wilson Avenue and the South Expressway near 63rd Street. Later, such garages are contemplated for Harlem and Lake, Howard Street, Michigan and Indiana Avenues and Stony Island Avenue and 63rd Street.

Frank F. Kolbe, Vice President for Transportation, accepted the Board's

recommendation that the Mass Transportation Committee study the following proposals:

1. Tax Relief Legislation proposed by suburban railroads.
2. Methods of financing the CTA improvement and extension program.
3. The future of electric lines, including the Chicago, Aurora and Elgin Railway, the Chicago, North Shore and Milwaukee Railway and the Chicago and South Bend Railroad.

In other actions, the Board approved an expenditure of \$10,000 by the Association to publish in cooperation with the Central Area Committee a picture book designed to extol the many attractions Chicago offers to high-level company officials and to be used as a tool to persuade more firms to locate their headquarters here. Thomas G. Ayers, Vice President for Industrial Development, made the presentation to the Board.

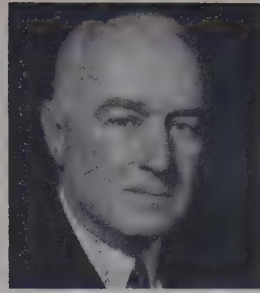
James Love of the Leo Burnett Advertising Agency shows the Commercial Development Committee pictures being considered for a new picture book which will tell top-level executives of Chicago's advantages as a headquarters city



Senior Council



A. H. Mellinger



Harvey G. Ellerd



Thomas B. Freeman

Three Former Presidents Are Still Active in Retirement

Three members of the Senior Council and former Presidents of the Association keep active in retirement and maintain their interest in civic affairs.

Harvey G. Ellerd, 1950-1949 President and 1939-1938 Executive Committee Chairman and former Vice President of Armour & Company, now lives in Ortonville, Minnesota. He writes "I'm enjoying a quiet rural life in this beautiful and progressive town of some 3,000 persons." He is active in the Ortonville Civic and Commerce Association. He is also chairman of the Park Board and of the Board of the Municipal Hospital as well as Vice President of the

Tri-County State Bank of Ortonville.

Thomas B. Freeman, 1946-1945 President and former President of Butler Brothers, retired in 1948 to Tucson, Arizona, following a series of illnesses. He writes: "When the opportunity came to buy a sizable new apartment project here I bought this property to operate, as much as a hobby to keep me sort of busy as anything else."

In addition to operating Vista Sierra Lodge, Freeman has been active in innumerable civic affairs, including the University of Arizona, the municipal hospital, the Tucson Festival Society, the Tucson Symphony and at present serves on com-

mittees in the Tucson Chamber of Commerce.

A. H. Mellinger, 1942-1941 President and former President of the Illinois Bell Telephone Company, lives at Pinnacle Brook Farm, Hendersonville, North Carolina. He writes: "Since leaving Chicago, I have been leading the life of a retired country gentleman here in the mountains of North Carolina. I have traveled extensively both abroad and in this country." Mellinger spent six months with the late Secretary of Defense James Forrestal in Washington in an effort to secure legislation to set up civil defense as a possible government agency.

Board members H. Bowen Stair (left) and James E. Rutherford examine some of the Association's recent outstanding publications

Association Produced 108 Publications In 1958

Serving members, out-of-towners and the Metropolitan Chicago community, the Chicago Association of Commerce and Industry in 1958 published 108 different printed publications with a total circulation of 1,862,150.

Each publication fills a definite purpose and need. There were 14 directories and guides, including such services as the Contributors Handbook, Buyer's Guide, Major Employers, Monthly Tax Calendar, Visitors Maps and Way-to-Ship.

Eight informational publications

including COMMERCE Magazine, Voice of Chicagoland Business, Headline Events, International Fair News and "Hi Neighbors" (devoted to Lake Diversion) had a total circulation in excess of one million.

Printed pieces promoting the Chicago area totaled nine. There were six printed surveys to assist the busi-

ness community in making major decisions, 17 Educational Conference and Program publications and nine Civic Program publications.

Fifteen of the publications are permanent and periodically revised, five are issued annually, five monthly and the others are concerned with special events.





Guy E. Reed

Association Mourns Death of Guy E. Reed

Guy E. Reed, former President of the Association, civic leader and retired banker, died on January 2, 1959.

Mr. Reed served as president of the Association for the years 1951 and 1952. He retired in 1955 as Executive Vice President of the Harris Trust and Savings Bank.

He was President of the Chicago Crime Commission from 1943 to

1948 and Chairman for the next three years. In 1951 he helped found the Citizens of Greater Chicago, an organization advocating political reform. Mr. Reed joined the Harris Bank in 1923 and was named Vice President in 1928 and Executive Vice President in 1955.

The Chicago Tribune of January 6th said:

"Mr. Reed was an able banker whose active life extended into many fields of civic betterment. Many men are content to make a living; some few also devote their energies to improving the climate of the community. Mr. Reed was one of these.

"No Chicagoan of his day labored more indefatigably in the cause of good government and crime prevention. Twice president of the Chicago Association of Commerce and Industry, Mr. Reed also contributed greatly to stimulating the spirit of business enterprise in Chicago."

New Officers Are Named

(Continued from page 41)

Brown, Assistant Vice President, Western Pacific Railroad; Marvin Chandler, President, Northern Illinois Gas Company; Truman K. Gibson, Sr., Chairman Supreme Liberty Life Insurance Company; M. E. Holt, President, Interstate Dispatch, Inc.; Robert S. Ingersoll, President, Borg-Warner Corporation; John H. Johnson, Publisher, Johnson Publications; Lyndon H. Lesch, Vice President, L. J. Sheridan & Company; Joseph E. Magnus, Chairman, James S. Kemper & Company; Harold Meidell, President, LaSalle National Bank.

New Directors, named for the one year term are: Charles S. Bridges, President, Libby, McNeill & Libby; Simeon E. Leland, Dean, College of Liberal Arts, Northwestern University; Harold M. Mayer, Vice President, Oscar Mayer & Co.; R. E. Moore, President, Bell & Gossett; Carroll V. Roseberry, Vice President, Westinghouse Electric Company and Arthur Rubloff, Arthur Rubloff & Company.

Elected to remain on the board

for an additional two year term are: Eskil I. Bjork, Chairman, Peoples Gas, Light & Coke Company; Jack L. Camp, Director of Foreign Operations, International Harvester Company; Robert Cushman, Partner, MacLeish, Spray, Price & Underwood; E. E. Hargrave, Administrative Vice President, Jewel Tea Company; George L. Irvine, Commercial Vice President, General Electric Company; Porter Jarvis, President, Swift & Company; Stanley King, Regional Vice President, American Airlines; Herbert F. Lello, President, Automatic Electric Company; Arthur J. O'Hara, Vice President, Northern Trust Company; Donald O'Toole, President, Pullman Trust & Savings Bank; Bert R. Prall, Chairman, Federal Reserve Bank; Robert F. Quain, General Manager, Conrad Hilton Hotel; James E. Rutherford, Vice President, Prudential Insurance Company; H. Bowen Stair, Vice President, Illinois Bell Telephone Company and Neele C. Stearns, President, Crane Company.

ADVERTISERS INDEX

Agencies Listed in Italics

A	
A-Z Letter Service	34
Alco Electric Co.	37
Allied Radio Corp.	31
George Brodsky	
Atlas Tag Co.	38
B	
Bathey & Childs	34
Bean, Ferrel M., & Associates, Inc.	37
C	
Chicago Name Plate Co.	34
Chicago Tribune, The	B.C.
Foot, Cone & Belding	
Clearing Industrial District	6
Continental Envelope Corp.	I.B.C.
Elliot, Jaynes & Baruch	
D	
DeLew, Cather & Co.	33
Donnelley, Reuben H., Corp.	13
Earle Ludgin & Co.	
E	
Efengee Electrical Supply Co.	30
Elliot, Jaynes & Baruch	
Empire Roofing Co.	34
Empire Warehouses, Inc.	36
F	
Fulton Asphalt Co.	34
Ross Llewellyn, Inc.	
G	
Graves & Graves Corp.	31
Greenwich Book Publishers, Inc.	38
Gruetzmacher, A. H., & Co.	2
Henry H. Teplitz Adv. Agcy.	
H	
Haines Co., The	38
Harrington, J. J., & Co.	33
Harris Trust & Savings Bank	4
Leo Burnett Co., Inc.	
Hyre Electric Co.	29
George H. Hartman Co.	
I	
Inland Steel Co.	1
Edward H. Weiss & Co.	
K	
Kane Service, The	10
Frank C. Nahser, Inc.	
Kiwi Coders Corp.	34
L	
Lou Steel Products Co.	37
M	
Mercury Travels, Inc.	36
Midwest Freight Traffic Service Bureau, Inc.	35
P	
Peoples Gas Light & Coke Co.	25
Needham, Louis & Brorby, Inc.	
Personnel Laboratory	34
Phillips, Robert T., & Associates	39
Precision Mfg. Co.	39
Mar-Pat Adv. Agcy.	
R	
Roman & Co., Inc.	26
S	
Stock Yard Inn	27
Fred C. Kenline	
T	
Talcott, James, Inc.	33
Doremus & Co.	
U	
United Air Lines, Inc.	12
N. W. Ayer & Son, Inc.	
W	
Western Rust-Proof Co.	28
Geren Advertising	
Western Ventilating Co.	39
Wilson, Ludwig, Co.	28

Calendar of Association Events

January 19	Agricultural Council Committee Luncheon Meeting; Norman Kraeft, Chairman	Association Conference Room 9:30 A.M.
January 19	Research Clearing House Committee Luncheon Meeting; Harold M. Mayer, Chairman	Association Conference Room 12:15 P.M.
January 20	Membership Committee Luncheon Meeting; Frank McCullough, Vice President, Continental Casualty Company	Association Conference Room 12:15 P.M.
January 20	Abbott Study Club; Speaker H. Hayward Hirsch: "What the St. Lawrence Seaway Means to Chicago"	Abbott Laboratories, North Chicago, 8:00 P.M.
January 20	Plumbing and Heating Wholesalers Credit Bureau Annual Meeting; Speaker: Thomas H. Coulter	Chicago Athletic Association 7:00 P.M.
January 21	Membership Luncheon Meeting; Walter Norton, President, RCA Victor Distributing Company	Association Conference Room 12:15 P.M.
January 22	Illinois Committee Luncheon Meeting	Association Conference Room 12:15 P.M.
January 23	Board of Directors Luncheon Meeting; Joseph L. Block, Chairman	Association Conference Room 12:15 P.M.
January 26	Joint Luncheon Meeting of the Urban Renewal and Public Improvement Committees; D. E. Mackelmann, Housing Consultant, will review last year's urban renewal activities.	Association Conference Room 12:15 P.M.
January 27	Membership Luncheon Meeting; Walter D. Cross, Jr., Vice President, Sinclair Refining Company	Association Conference Room 12:15 P.M.
January 28	Agricultural Industrial Forum sponsored by the University of Illinois; Thomas H. Coulter speaking on "How Industry Accepts the Challenge of Change."	Garner House, Urbana, Illinois, 12:30 P.M.
January 29	Illinois Committee Luncheon Meeting	Association Conference Room 12:15 P.M.
January 29	Street Traffic and Parking Committee Luncheon Meeting; John W. Clarke, Chairman	Association Conference Room 12:15 P.M.
February 5	Illinois Committee Luncheon Meeting	Association Conference Room 12:15 P.M.
February 5	Industrial Traffic Council Luncheon Meeting; T. C. Hope, Chairman	Palmer House, Traffic Club, 12:15 P.M.
February 10	Membership Luncheon Meeting; Norman Stone, President, Stone Construction Company	Association Conference Room 12:15 P.M.
February 11	55TH ANNUAL MEETING OF THE CHICAGO ASSOCIATION OF COMMERCE AND INDUSTRY; Principal Speaker: Lewis L. Strauss, Secretary of Commerce	Palmer House, Grand Ballroom, 12:15 P.M.
February 12	Illinois Committee Luncheon Meeting	Association Conference Room 12:15 P.M.
February 26-27	22nd World Trade Conference co-sponsored by the Association and Export Managers Club of Chicago; Theme: "St. Lawrence Seaway - Stimulus to World Trade"	Palmer House

Helpful Guides...

1959 Tax Calendar

1959-60 Legislative Directory

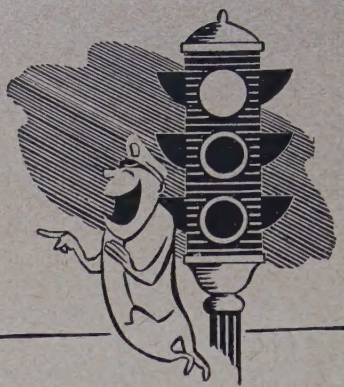
Two new Governmental Affairs Division publications will soon be distributed to Association members.

The expanded 1959-1960 issue of the Association's "Legislative Directory," in addition to listing the names of members of the 71st General Assembly and the Illinois delegation to the 86th Congress, also carries the names of local public officials, a directory of local offices

of the State of Illinois and maps of legislative districts. For the first time it gives business addresses and telephone numbers of General Assembly members and Illinois Congressmen.

The 1959 Tax Calendar, an annual publication, carries the due dates for most local, state and federal taxes affecting business and lists agencies with which returns must be filed.

Stop me... If...



In the Russian zone of Berlin a parrot's cage door was accidentally left open and the bird escaped.

The owner promptly inserted an advertisement in the local paper, reading: "If anyone finds my parrot, I want it definitely understood that I do not share its political opinions."

An old gent went to his doctor for a blood test, and gave out the startling news that he was about to get married.

"My, how old are you?" asked the physician showing his surprise.

The old gent said he was eighty-two, and added that the bride was going on twenty-two.

"Don't you realize that such a big age difference could mean real trouble?" suggested the doctor.

"Well, if she dies, she dies," wheezed the old man.

Steno May: "When I went out with that new mechanic all we did was wrestle."

Steno Fay: "Is that so?"

Steno May: "Yeah! And now that I've found out that his rich uncle died and left him a lot of money, I'm going to offer him a re-match!"

The parson phoned the local board of health to ask that a dead mule be removed from in front of this house.

The young clerk who answered thought he'd be smart. "I thought you ministers took care of the dead," he remarked.

"We do," answered the parson, "but first we get in touch with their relatives."

At a 57th Street art gallery in New York, a tall, rugged Texan and his pretty wife dropped in and within a period of a half-hour bought up all the Van Goghs, Picassos, El Grecos, Ganguins, Monets, etc., in the place.

"There, honey," beamed the man with a relief sigh, "that takes care of the Christmas cards. Now let's get started on our shopping."

"What brand of cigarettes do you smoke, Scotty?"

"I wouldn't know. I'm not a thinking man."

Marriage is just another union that defies management.

The long-suffering husband was moaning. "Ruth," he said, "you promised you wouldn't buy a new dress. What made you do it?"

"Dear," replied the modern Eve, "the devil tempted me."

"Why didn't you say: 'Get thee behind me, Satan?'"

"I did," the woman replied sweetly. "And then he whispered over my shoulder: 'My dear, it fits you just beautifully in the back.'"

Two men, fishing on Sunday morning, were feeling a bit guilty.

One said to the other, "I suppose we should have gone to church."

"Heck," said the other, "I couldn't have gone to church anyway. My wife's sick in bed."

Pesky Passenger—"What has happened, conductor?"

Conductor—"Nothing much—we ran over a cow."

Pesky Passenger—"Was it on the track?"

Conductor—"No, we chased it into a barn."

A young grade-school teacher was filling out a health questionnaire for the coming term. Weary after a difficult first semester, she was ready for the query, "Have you ever had a nervous breakdown?"

In big letters she wrote: "NOT YET. BUT WATCH THIS SPACE FOR DEVELOPMENTS."

"How did you make your neighbor keep his hens in his own yard?"

"One night I hid a dozen eggs under our porch and the next day I let him see me gathering them. I wasn't bothered after that."

"Just look at this expense account!" roared the sales manager. "How is it humanly possible for you to spend \$11 for food in one day in Podunk, Mass.?"

"Easy," answered the salesman. "Skip breakfast."

Ted, whose father was a baker, was in the habit of bringing his teacher a fresh pretzel each day.

"I wish you would tell your father not to make them quite so salty," she once said laughingly.

Thereafter the shiny, brown delicacy—always minus the salt—was found frequently on her desk. "It is very kind of your father to make one on purpose for me," she told him.

"Oh, he doesn't make them this way. I lick the salt off!"

Applying at the accounting department for his first job, the recent high school graduate was momentarily stymied by a question on the application blank which read—"What machines can you operate?"

Pausing briefly, he finally wrote—"Slot and pin ball."



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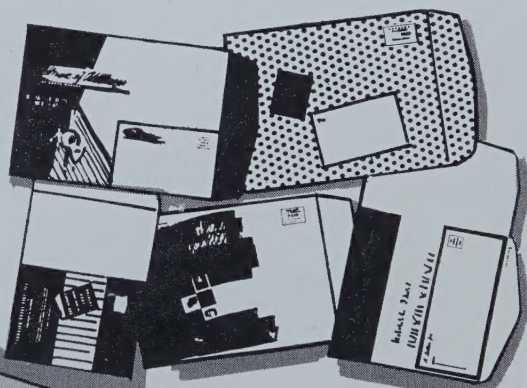
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